



05/11/2017

KERRIE L. SMITH  
HANOVER INSURANCE GROUP  
WORCESTER OFFICE  
MAIL STOP S316

RE: CERTIFIED COPY OF THE POLICY

TO: WHOM IT MAY CONCERN

This is to certify that I am a Commercial Lines Manager of Citizens/Hanover Insurance Company duly authorized to keep the company's records. The attached copy is certified as a true and correct copy of the company's record of policy.

Policy Number: ZBS 9632488 02

Policy Issued To: ALBANY AIRPORT HIE LLC

Date Span: 08/01/2014- 08/01/2015

Any questions can be initiated in the Process Support Department by contacting [Lesly Horton](#) at 1-508-855-3348.

Sincerely,

PAT LYNN  
COMMERCIAL LINES MANAGER



ZBS 9632488 02

**Citizens Insurance Company Of America, 440 Lincoln Street, Worcester MA 01605**  
**Commercial Line Policy**  
**Common Declarations**

CM

Policy Number	Policy Period		Coverage is Provided in the:	Agency Code
	From	To		
ZBS 9632488 02	08/01/2014	08/01/2015	Citizens Insurance Company Of America	5502701

**Named Insured and Address :****Agent :**

ALBANY AIRPORT HIE LLC  
 400 HIE LLC &/OR  
 7A JOHNSON RD  
 LATHAM NY 12110

ARTHUR J GALLAGHER RISK  
 CAPITAL BAUER  
 677 BROADWAY, 4TH FLOOR  
 ALBANY NY 12207

**Branch :** New York Region: Upstate**Policy Period :** **From** 08/01/2014 **To** 08/01/2015

12:01 A.M. Standard Time at Your Mailing Address Shown Above.

**Business Description:** Hotels**Legal Entity:** Limited Liability Corporation

In Consideration of the premium, insurance is provided the Named Insured with respect to those premises described in the attached schedule(s) for which a specific limit of insurance is shown. This is subject to all terms of this policy including Common Policy Conditions. Coverage Parts, Forms and Endorsements may be subject to adjustment and/or a policy minimum premium.

<b>Commercial Property Coverage</b>	\$25,962.00
<b>Commercial General Liability Coverage</b>	\$23,538.00
<b>Commercial Inland Marine Coverage</b>	Not Covered
<b>Commercial Crime Coverage</b>	Not Covered
<b>Commercial Auto Coverage</b>	Not Covered
<b>Total Surcharges Premium</b>	\$162.48
<b>Additional Premium For Policy Minimum</b>	N/A
<b>** Total</b>	\$49,662.48

\*\*INCLUDES PREMIUM, IF ANY, FOR TERRORISM; REFER TO DISCLOSURE NOTICE

Countersigned \_\_\_\_\_ By \_\_\_\_\_

10 Pay - 20% Down

Group Number ZBD



ALBANY AIRPORT HIE LLC

ZBS 9632488 02

ARTHUR J GALLAGHER RISK

**Commercial Lines Surcharges**

**State:** New York

New York Fire Fee Premium:	\$162.48
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<b>Total New York Surcharge Premium:</b>	<b>\$162.48</b>
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ALBANY AIRPORT HIE LLC

ZBS 9632488 02

**ARTHUR J GALLAGHER RISK**

**Locations of All Premises You Own, Rent or Occupy**

**Location: 1**

400 Old Loudon Road  
Latham NY  
12110

**Forms Applicable to all Coverage Parts:**

\*Asterisk denotes new or changed form

<b><u>Form Number</u></b>	<b><u>Edition Date</u></b>	<b><u>Description</u></b>
221-0163	10/03	Change Endorsement Form
401-1127	01/08	Notice - Disclosure of Premium - Acceptance of Coverage
IL 00 17	11/98	Common Policy Conditions
IL 01 83	07/02	New York Changes - Fraud
* IL 02 68	01/14	New York Changes - Cancellation And Nonrenewal
IL 09 35	07/02	Exclusion of Certain Computer-Related Losses
IL 09 52	03/08	Cap On Losses From Certified Acts Of Terrorism
* SIG 11 00	08/14	Signature Page



ALBANY AIRPORT HIE LLC

ZBS 9632488 02

ARTHUR J GALLAGHER RISK

### Commercial Property Coverage Part Declaration

**Total Property Premium** \$25,962.00

Coverages Provided:

Insurance at the Described Premises applies only for the coverage shown below:

Blanket Building and Contents For Premises

Location 1 - Building 1

<u>Coverage:</u>	<u>Cause of Loss:</u>	<u>Premiums:</u>
Blanket Building and Contents	Special	\$17,387.00
<b>Limit of Insurance:</b>	\$16,880,000	
Replacement Cost		
<b>Coinurance:</b>	100%	
Agreed Value	Agreed Expiration 08/01/2015	

<u>Blanket</u>	<u>LOC</u>	<u>BLDG</u>	<u>APPLICABLE DEDUCTIBLE</u>	
	ALL	ALL	Windstorm/Hail Deductible	\$10,000.00
			Theft Deductible	\$10,000.00
			Other Deductible:	\$10,000.00

<u>LOC</u>	<u>BLDG</u>	
1	1	<b>Occupancy:</b> Hotels and Motels -w/Restaurants- 4 stories or more <b>Territory:</b> 010 <b>Construction:</b> Frame <b>Protection Class:</b> 4

<u>LOC</u>	<u>BLDG</u>	<u>Coverage:</u>	<u>Cause of Loss:</u>	<u>Premiums:</u>
1	1	Business Income	Special	\$5,818.00



ALBANY AIRPORT HIE LLC

ZBS 9632488 02

ARTHUR J GALLAGHER RISK

**Commercial Property Coverage Part Declaration**

**Limit Of Insurance:** \$4,475,000.00  
**Coinsurance:** 100%  
**Extended Period of Indemnity** 60 Days Included  
**Agreed Value** Agreed Expiration: 08/01/2015

**Applicable Coverage Options****Agreed Amount**

<u>LOC</u>	<u>BLDG</u>	<u>DED BY LOC</u>	<u>APPLICABLE DEDUCTIBLE</u>	
1	1		<b>Windstorm/HailDeductible</b>	\$10,000.00
			<b>Theft Deductible:</b>	\$10,000.00
			<b>Other Deductible:</b>	\$10,000.00

**Additional Premium for Property Minimum :** N/A

**Miscellaneous/Optional Property Coverages:** **PREMIUM**

Data Breach	\$50.00
Boiler / Machinery / Equipment Breakdown	\$2,018.00
Terrorism Premium	\$169.00
Gold Property Broadening Endorsement	\$440.00
Hospitality Property Broadening Endorsement	\$80.00



ALBANY AIRPORT HIE LLC

ZBS 9632488 02

ARTHUR J GALLAGHER RISK

### Forms Applicable to Property Coverage Parts:

\*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
411-0669	12/09	Data Breach Coverage Form
411-0679	04/10	Associates And Family Members Additional Coverage Endorsement
411-0681	12/09	Identity Theft Resolution Services
* 411-0793	04/14	Gold Property Broadening Endorsement
* 411-0801	04/14	Hospitality Property Broadening Endorsement
* 411-0827	04/14	NY Changes - Property Broadening Endorsement
* 411-0885	04/14	Hospitality Property Broadening Endorsement - Notice To Policyholder
* 411-0891	04/14	Gold Property Broadening Endorsement - Notice To Policyholder
* 411-0897	04/14	Property Multi State Revision- Notice To Policy Holders
451-0038	11/04	Equipment Breakdown Coverage
451-0052	12/06	New York Changes
* CP 00 10	10/12	Building And Personal Property Coverage Form
* CP 00 30	10/12	Business Income (And Extra Expense) Coverage Form
CP 00 90	07/88	Commercial Property Conditions
* CP 01 33	10/12	NY Changes
* CP 01 64	10/12	NY Changes - Fungus, Wet Rot And Dry Rot
CP 01 78	08/08	New York - Exclusion Of Loss Due To Virus or Bacteria
* CP 04 11	10/12	Protective Safeguards
* CP 10 30	10/12	Cause Of Loss - Special Form
* CP 12 18	10/12	Loss Payable Provisions
CP 99 93	10/90	Tentative Rate



ALBANY AIRPORT HIE LLC

ZBS 9632488 02

ARTHUR J GALLAGHER RISK

**Property Schedule of Additional Interest**

**Location: 1 Building: 1**

1st Mortgagee  
SEFCU ISAOA  
ATTN: COMMERCIAL SERVICES  
SEFCU SQUARE 469 STATE STREET  
SCHENECTADY NY 12305

**Location: 1 Building: 1**

2nd Mortgagee  
BERKSHIRE BANK ISAOA  
41 STATE STREET  
ALBANY NY 12207  
BLANKET BLDG & BPP

**Location: 1 Building: 1**

Loss Payable  
BERKSHIRE BANK ISAOA  
41 STATE STREET  
ALBANY NY 12207  
BLANKET BLDG & BPP

**Location: 1 Building: 1**

Loss Payable  
SEFCU ISAOA  
ATTN: COMMERCIAL SERVICES  
SEFCU SQUARE 469 STATE STREET  
SCHENECTADY NY 12305





ALBANY AIRPORT HIE LLC

ZBS 9632488 02

**ARTHUR J GALLAGHER RISK****Commercial General Liability Coverage Part Declaration**

Audit Frequency: Annual

**Limits of Insurance:**

<b>General Aggregate Limit</b>	\$2,000,000
<b>Products-Completed Operations Aggregate Limit</b>	\$2,000,000
<b>Each Occurrence Limit</b>	\$1,000,000
<b>Personal and Advertising Injury Limit</b>	\$1,000,000
<b>Fire Damage Limit, Any One Fire</b>	\$100,000
<b>Medical Expense Limit, Any One Person</b>	\$5,000
<b>General Liability Deductible:</b>	
<b>Total Advance Commercial General Liability Premium</b>	\$23,538.00

**Forms Applicable to General Liability Coverage Parts:**

\*Asterisk denotes new or changed form

<b><u>Form Number</u></b>	<b><u>Edition Date</u></b>	<b><u>Description</u></b>
421-0017	06/89	Employee Benefits Liability Insurance
421-0022	12/90	Asbestos Liability Exclusion
421-0146	09/03	Commercial General Liability Special Broadening Endorsement ( New York)
* 421-0478	01/08	New York Hospitality Services Errors & Omission Insurance
CG 00 01	12/07	Commercial General Liability Coverage Form
CG 00 68	05/09	Recording And Distribution of Material or Information In Violation of Law Exclusion
CG 01 04	12/04	New York Changes - Premium Audit
CG 01 63	07/11	New York Changes - Commercial General Liability Coverage Form
CG 21 47	12/07	Employment - Related Practices Exclusion
CG 21 70	01/08	Cap On Losses From Certified Acts Of Terrorism
CG 22 45	07/98	Exclusion - Specified Therapeutic or Cosmetic Services
CG 24 07	01/96	Products/Completed Operations Hazard Redefined
CG 24 16	12/07	Canoes or Rowboats
CG 26 21	10/91	New York Changes - Transfer Of Duties When A Limit Of Insurance Is Used Up
IL 00 23	07/02	Nuclear Energy Liability Exclusion Endorsement (Broad Form)



ALBANY AIRPORT HIE LLC

ZBS 9632488 02

ARTHUR J GALLAGHER RISK

**Commercial General Liability Classification Schedule Declaration**

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	NY	018	16910	334	\$1,700,000 Receipts (Sales)	1,000	2.121	\$3,606.00
1	NY	018	16910	336	\$1,700,000 Receipts (Sales)	1,000	.181	\$308.00

Restaurants w/sale of alcoholic beverages &lt; 30% w/table service

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	NY	018	45191	334	\$4,800,000 Receipts (Sales)	1,000	3.468	\$16,646.00

Products – Completed Operations are Included in the General Aggregate Limit

Hotels and Motels with pools or beaches four stories or more

**Miscellaneous/Optional General Liability Coverages****Advance Premium**

Employee Benefits Coverage	\$275.00
General Liability Special Broadening Endorsement	\$275.00
Hospitality Services Errors and Omissions Insurance Endorsement	\$337.00
Terrorism Premium	\$55.00

Additional Premium for Coverage Minimum: N/A

**Total Advance General Liability Premium** \$23,538.00

<b>Subline</b>	334	<b>Premises and Operations</b>
<b>Subline</b>	336	<b>Products and/or Completed Operations</b>



ALBANY AIRPORT HIE LLC

ZBS 9632488 02

ARTHUR J GALLAGHER RISK

### Liquor Liability Coverage Declaration

#### Limits of Insurance:

Liquor Liability Aggregate Limit \$2,000,000

Each Common Cause \$1,000,000

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	NY	018	58161	332	500000 Gross Sales	1000	4.072	\$2,036.00

Additional for Coverage Minimum N/A

Total Advance Commercial Liquor Liability Premium \$2,036.00

### Forms Applicable to Liquor Coverage Parts

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
CG 00 33	12/07	Liquor Liability Coverage Form (Occurrence Version)
CG 00 64	12/02	War Liability Exclusion - Liquor, RR
CG 01 04	12/04	New York Changes - Premium Audit
CG 26 03	04/09	New York Changes Liquor Liability Coverage Form
CG 26 35	12/93	New York Changes - Transfer Of Duties When A Limit Of Insurance Is Used Up



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ THIS CAREFULLY.

**IT IS HEREBY AGREED NAMED INSURED READS AS FOLLOWS:**

ALBANY AIRPORT HIE LLC DBA ALBANY AIRPORT HOTEL  
946 LOUDON LLC  
400 OLD LOUDON ROAD REALTY LLC  
**BULLOCK HOSPITALITY LLC**  
400 HIE LLC DBA ALBANY AIRPORT HOLIDAY INN EXPRESS AND SUITES  
TUSCANY MANAGEMENT LLC  
BULLOCK BOYS LLC DBA ON TAP  
BULLOCK BOYS LLC DBA GAZEBO BANQUET HALL AND RENTALS

**Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the policy other than as above stated.**

(Completion of the following, including countersignature, is required to make this endorsement effective only when it is issued subsequent to preparation of the Policy.)

Effective 08/01/2012 this endorsement forms a part of Policy No. ZBS 9632488 00

Issued to

By Citizens Insurance Company Of America

Date of Issue

Countersigned by

Authorized Representative of the Company

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**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT, AS AMENDED. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY.**

Policy Number: ZBS 9632488 00

**NOTICE - OFFER OF TERRORISM COVERAGE  
NOTICE - DISCLOSURE OF PREMIUM  
ACCEPTANCE OF COVERAGE**

Coverage for "acts of terrorism," as defined in Section 102(1) of the Terrorism Risk Insurance Act ("Act") is included in your policy. You are hereby notified that under the Act, as amended in 2007, the definition of act of terrorism has changed. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES**

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Act, as amended. Your policy, however, may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

**DISCLOSURE OF \$100 BILLION CAP**

The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Premium for terrorism, if any, is stated below :

**DISCLOSURE OF PREMIUM**

Total Terrorism Premium	<u>\$268</u>
Fire Following Premium	<u>\$128</u>
Other than Fire Following Premium	<u>\$140</u>

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

IL 01 83 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES – FRAUD**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL  
COVERAGES, CONDITIONS, DEFINITIONS  
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE  
FORM  
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM

The CONCEALMENT, MISREPRESENTATION OR FRAUD Condition is replaced by the following:

### **FRAUD**

We do not provide coverage for any insured ("insured") who has made fraudulent statements or engaged in fraudulent conduct in connection with any loss ("loss") or damage for which coverage is sought under this policy.

However, with respect to insurance provided under the COMMERCIAL AUTOMOBILE COVERAGE PART, we will provide coverage to such "insured" for damages sustained by any person who has not made fraudulent statements or engaged in fraudulent conduct if such damages are otherwise covered under the policy.

IL 02 68 01 14

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. Paragraphs 1., 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:**

1. The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.

**2. Cancellation Of Policies In Effect**

**a. 60 Days Or Less**

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph **A.2.b.** below.
- (2) 15 days before the effective date of cancellation if we cancel for any of the reasons included in Paragraph **A.2.b.** below.

**b. For More Than 60 Days**

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed below, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation:

- (1) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;

- (2) Conviction of a crime arising out of acts increasing the hazard insured against;
- (3) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim;
- (4) After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;
- (5) Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, which results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
- (6) Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;



(7) A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code; or

(8) Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If we cancel for this reason, you may make a written request to the Department of Financial Services, within 10 days of receipt of this notice, to review our cancellation decision. Also, we will simultaneously send a copy of this cancellation notice to the Department of Financial Services.

3. We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the policy and to the authorized agent or broker.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata.

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

**B.** The following is added to the **Cancellation** Common Policy Condition:

7. If one of the reasons for cancellation in Paragraph **A.2.b.** or **D.2.b.(2)** exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.

**C.** The following conditions are added:

**1. Nonrenewal**

If we decide not to renew this policy we will send notice as provided in Paragraph **C.3.** below.

**2. Conditional Renewal**

If we conditionally renew this policy subject to:

a. A change of limits;

b. A change in type of coverage;

c. A reduction of coverage;

d. An increased deductible;

e. An addition of exclusion; or

f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph **C.3.** below.

**3. Notices Of Nonrenewal And Conditional Renewal**

a. If we decide not to renew this policy or to conditionally renew this policy as provided in Paragraphs **C.1.** and **C.2.** above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 60 but not more than 120 days before:

(1) The expiration date; or

(2) The anniversary date if this is a continuous policy.

b. Notice will be mailed or delivered to the first Named Insured at the address shown in the policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.

c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

d. If we violate any of the provisions of Paragraph **C.3.a., b.** or **c.** above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:

(1) And if notice is provided prior to the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel;

- (2) And if the notice is provided on or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.
  - e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
    - (1) Upon expiration of the 60-day period, unless Subparagraph (2) below applies; or
    - (2) Notwithstanding the provisions in Paragraphs d.(1) and d.(2), as of the renewal date of the policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the policy.
  - f. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the policy has been replaced or is no longer desired.
- D.** The following provisions apply when the Commercial Property Coverage Part, the Farm Coverage Part or the Capital Assets Program (Output Policy) Coverage Part is made a part of this policy:
- 1.** Items **D.2.** and **D.3.** apply if this policy meets the following conditions:
    - a.** The policy is issued or issued for delivery in New York State covering property located in this state; and
    - b.** The policy insures:
      - (1) For loss of or damage to structures, other than hotels or motels, used predominantly for residential purposes and consisting of no more than four dwelling units; or
      - (2) For loss of or damage to personal property other than farm personal property or business property; or
      - (3) Against damages arising from liability for loss of, damage to or injury to persons or property, except liability arising from business or farming; and
  - c.** The portion of the annual premium attributable to the property and contingencies described in **1.b.** exceeds the portion applicable to other property and contingencies.
- 2.** Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:
- 2. Procedure And Reasons For Cancellation**
- a.** We may cancel this entire policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
    - (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due; or
    - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
  - b.** But if this policy:
    - (1) Has been in effect for more than 60 days; or
    - (2) Is a renewal of a policy we issued; we may cancel this policy only for one or more of the following reasons:
      - (1) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;
      - (2) Conviction of a crime arising out of acts increasing the risk of loss;
      - (3) Discovery of fraud or material misrepresentation in obtaining the policy or in making a claim;
      - (4) Discovery of willful or reckless acts or omissions increasing the risk of loss;
      - (5) Physical changes in the covered property that make that property uninsurable in accordance with our objective and uniformly applied underwriting standards in effect when we:
        - (a) Issued the policy; or
        - (b) Last voluntarily renewed the policy;

- (6) The Superintendent of Financial Services' determination that continuing the policy would violate Chapter 28 of the Insurance Law; or
- (7) Required pursuant to a determination by the Superintendent of Financial Services that the continuation of our present premium volume would be hazardous to the interests of our policyholders, our creditors or the public.

3. The following are added:

**a. Conditional Continuation**

Instead of cancelling this policy, we may continue it on the condition that:

- (1) The policy limits be changed; or
- (2) Any coverage not required by law be eliminated.

If this policy is conditionally continued, we will mail or deliver to the first Named Insured written notice at least 20 days before the effective date of the change or elimination. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

**b. Nonrenewal**

If, as allowed by the laws of New York State, we:

- (1) Do not renew this policy; or
- (2) Condition policy renewal upon:
  - (a) Change of limits; or
  - (b) Elimination of coverage;

we will mail or deliver written notice of nonrenewal or conditional renewal:

- (a) At least 45 days; but
- (b) Not more than 60 days;

before the expiration date of the policy. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

- E.** The following is added to the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

When the property is subject to the Anti-arson Application in accordance with New York Department of Financial Services' Insurance Regulation No. 96, the following provisions are added:

If you fail to return the completed, signed and affirmed anti-arson application to us:

- 1. Or our broker or agent within 45 days of the effective date of a new policy, we will cancel the entire policy by giving 20 days' written notice to you and to the mortgageholder shown in the Declarations.
- 2. Before the expiration date of any policy, we will cancel the policy by giving written notice to you and to the mortgageholder shown in the Declarations at least 15 days before the effective date of cancellation.

The cancellation provisions set forth in **E.1.** and **E.2.** above supersede any contrary provisions in this policy including this endorsement.

If the notice in **E.1.** or **E.2.** above is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

- F.** The following applies to the Commercial Property Coverage Part, the Farm Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

Paragraphs **f.** and **g.** of the **Mortgageholders** Condition are replaced by the following:

**f. Cancellation**

- (1) If we cancel this policy, we will give written notice to the mortgageholder at least:
  - (a) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - (b) 30 days before the effective date of cancellation if we cancel for any other reason.

(2) If you cancel this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, cancellation will become effective on the later of:

- (a) The effective date of cancellation of the insured's coverage; or
- (b) 10 days after we give notice to the mortgageholder.

**g. Nonrenewal**

(1) If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

(2) If you elect not to renew this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, nonrenewal will become effective on the later of:

- (a) The expiration date of the policy; or
- (b) 10 days after we give notice to the mortgageholder.

**G.** The following provisions apply when the following are made a part of this policy:

Commercial General Liability Coverage Part  
Employment-Related Practices Liability Coverage Part  
Farm Liability Coverage Form  
Liquor Liability Coverage Part  
Products/Completed Operations Liability Coverage Part

- 1. The aggregate limits of this policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph **C.3.d.** above.
- 2. The last sentence of Limits Of Insurance does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
    - a.** Any of the following, whether belonging to any insured or to others:
      - (1)** Computer hardware, including micro-processors;
      - (2)** Computer application software;
      - (3)** Computer operating systems and related software;
      - (4)** Computer networks;
      - (5)** Microprocessors (computer chips) not part of any computer system; or
      - (6)** Any other computerized or electronic equipment or components; or
    - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
  - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  - 2.** Under the Commercial Property Coverage Part:
    - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
    - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

### **A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### **B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

**In Witness Whereof**, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.



Frederick H. Eppinger  
President



Charles Frederick Cronin  
Secretary



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## DATA BREACH COVERAGE FORM

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form the words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to **Section F – Definitions**.

The terms and conditions of the Cancellation Clause of the Common Policy Conditions IL 00 17 are hereby incorporated herein and shall apply to coverage as is afforded by this Data Breach Coverage Form, unless specifically stated otherwise in an endorsement(s) attached hereto.

### SCHEDULE

<b>Data Breach Coverage Annual Aggregate Limit of Insurance</b>	<b>\$10,000</b>
<b>Additional Expense Coverages Annual Aggregate Limit of Insurance</b>	<b>\$10,000</b>
<b>Data Breach Coverage Deductible</b>	<b>\$1000</b>
<b>Premium</b>	<b>\$50.00</b>

### SECTION A - COVERAGES

We will provide Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages as described below if you have a "data breach" that:

- a. Is discovered during the coverage period of this Data Breach Coverage Form; and
- b. Is reported to us within 30 days of your discovery of the "data breach".

#### 1. Data Breach Covered Services and Covered Expenses

##### a. Data Breach Services

##### (1) Consulting Services

Consulting Services to assist you regarding:

- (a) Notification requirements pursuant to state and federal laws and regulations;
- (b) Drafting your notification letters; and
- (c) Media interface and press release drafting.

##### (2) Help Line

A toll-free telephone line for "potentially-identified persons" with questions about the "data breach".

##### (3) Fraud Alert

A "potentially-identified person" who contacts our Designated Service Provider can place a Fraud Alert on his or her credit file(s) with the main credit bureaus warning potential credit grantors to check with the "potentially-identified person" before extending credit in his or her name or on his or her behalf.

##### (4) Identity Restoration Case Management

An "identified person" who contacts our Designated Service Provider can have the services of an identity restoration professional who will assist that "identified person" to correct his or her credit and other records and, within the constraints of what is possible and reasonable, to restore control over his or her personal identity.

These Data Breach Services will be provided by our Designated Service Provider as described in **Section E.2. Additional Conditions** for a period of 12 consecutive months from the inception of the Data Breach Services. These Data Breach Services are only available within the Coverage Territory



and will only be provided for data records created and housed in the United States with data on "potentially-identified persons" with a valid social security number.

**b. Data Breach Expense Coverages**

We will pay your reasonable and necessary expenses incurred for the following Covered Expenses up to the limits of insurance described in **Section C – Limits of Insurance**:

**(1) Notification to Potentially-Identified Persons** – expenses to provide notification of the "data breach" to "potentially-identified persons":

- (a) As required by a federal or state statute, regulation or directive or
- (b) As reasonably necessary to your business.

Covered expenses include but are not limited to the printing, postage and handling of notification letters to "potentially-identified persons".

**(2) Forensic Analysis** – expenses to assess:

- (a) The severity of the "data breach";
- (b) The nature and extent of the "data breach";

Forensic Analysis expenses do not include the cost of restoration.

**(3) Proactive Monitoring Services Expense Coverage** – Expenses for "proactive monitoring services" provided to "potentially-identified persons" through our Designated Service Provider.

**(4) Services provided for Covered Expenses provided in b.(1), b.(2) and b.(3) above must be approved by us as described in Section E.2. Additional Conditions, Paragraph d., Service Providers.**

Under **b.(3) Proactive Monitoring Services Expense Coverage**, we will only pay for expenses that you

incur through our Designated Service Provider.

**c. Additional Expense Coverage**

We will pay your reasonable and necessary expenses incurred for the following Additional Expense Coverages. These expenses are subject to the limits of insurance described in **Section C – Limits of Insurance**.

**(1) Legal Services** – Expenses incurred within the first six months following the discovery of a "data breach" for outside professional legal counsel review of the "data breach" and recommendations as to how you should best respond to it including final legal review of the proposed breach notification letter(s). However, we will not pay for expenses for legal counsel to review any third party liability litigation or notification of potential litigation.

**(2) Public Relations** – expenses incurred within the first six months following the discovery of a "data breach" for an outside public relations firm or a crisis management firm for restoring the confidence of your customers and investors in the security of your company and its systems.

**(3) Third Party "Data Breach"** – expenses for notification to "potentially-identified persons" with whom you have a direct relationship for a "data breach" when the "data breach" occurs at a third party where you have sent "private personal data" to be under that third party's care, custody and control. This includes a "data breach" that occurs while transmitting or transporting the data to that third party. Covered expenses for this Additional Covered Expense are limited to the printing, postage and handling of notification letters to "potentially-identified persons".

Service providers for Additional Expense Coverage provided in paragraphs **c.(1)**, **c.(2)** and **c.(3)**

must be approved by us as described in **Section E.2. Additional Conditions**, Paragraph d., **Service Providers**.

- (4) **Data Breach Ransom Coverage** – monies extorted from and paid by you because of a threat or connected series of threats to commit an intentional attack on your computer systems that if so committed, would result in a “data breach”. This Data Breach Ransom Coverage is subject to the following conditions:
- (a) you must receive approval from us prior to the payment of any monies;
  - (b) any monies paid must only be to terminate or end the threat;
  - (c) the threat must be one which, if carried out, would have led to a “data breach” that would have been covered under this Coverage Form had the monies not been paid;
  - (d) the threat must have been made during the coverage period of this Data Breach Coverage Form;
  - (e) the applicable Federal, state and/or local law enforcement authority was notified of the threat prior to any payment you make for which you are seeking reimbursement under this Additional Expense Coverage;
  - (f) the threat must not have been committed by any of your employees or former employees, vendors or independent contractors hired by you;
  - (g) you must make every reasonable effort not to divulge the existence of this Data Breach Ransom Coverage; and
  - (h) you agree to keep confidential any amounts paid under this Data Breach Ransom Coverage except for any disclosure we

approve in advance of that disclosure.

- (5) **Data Breach Reward Coverage** – monies you pay for information leading to the arrest and conviction of any individual(s) who committed an illegal act(s) related to a “data breach” covered under this Coverage Form. Under this Data Breach Reward Coverage, we will not pay for information that was provided by you, your internal or external auditors, any vendor or independent contractor hired by you, any individual or firm hired by you to investigate the illegal act described above or information from any individual(s) with supervisory or management responsibility of any of the individual(s) described above.

## 2. Coverage Extension

The following Coverage Extension applies to Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages as provided in Paragraphs 1.a. through 1.c. above:

### a. Portable Electronic Devices Out of the Coverage Territory

The coverages applying under Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages are extended to apply to a “data breach” from a portable electronic device, such as a laptop or personal digital assistant (PDA), while taken out of the Coverage Territory on a temporary basis. This Coverage Extension is limited to “private personal data” that is within your care, custody or control within the Coverage Territory but temporarily stored on that portable electronic device.

The portable electronic device must be owned or leased by you or your employees.

This Coverage Extension is subject to Exclusions, Limits and Insurance and Conditions that apply to Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages.

## SECTION B – EXCLUSIONS

**1. We will not cover the following regardless of cause:**

**a. Costs to Research or Correct Deficiencies**

Any costs to research any deficiency, except as specifically provided under the Data Breach Expense Coverage **1.b.(2) Forensic Analysis**, or any costs to correct any deficiency.

This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "data breach".

**b. Criminal Investigation or Proceedings**

Any costs arising out of criminal investigations or proceedings.

**c. Fines, Penalties or Assessments**

Any "fines, penalties, fees or assessments". This includes but is not limited to fees or surcharges from financial institutions.

**d. Defense or Legal Liability**

Any fees, costs, settlements, judgments, or liability of any kind arising in the course of, or as a result of a claim for damages, lawsuit, administrative proceedings, or governmental investigation against or involving you.

**e. Other Economic Costs**

Any other costs or expenses not expressly provided for under Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages provided in Paragraphs **1.a.** through **1.c.** Costs or expenses that we do not cover include but are not limited to expense to reissue credit or debit cards.

**f. Consequential Loss**

Any costs, or any other loss, caused by or resulting from delay, loss of use, loss of existing or prospective markets or any other consequential loss.

**g. Contractually Assumed Liability**

Legal obligations arising by reason of assumption of liability in a contract or agreement.

**h. Victim Expenses or Losses**

Costs or losses incurred by a victim of "data breach" or fraud activity except as provided for under Data Breach Services, Data Breach Expense Coverages and Additional Expenses Coverages provided in Paragraphs **1.a.** through **1.c.**

**i. Alternative Travel Arrangements or Fees**

Payment of alternative travel arrangements or additional fees.

**j. Psychological Counseling**

Psychological counseling for victims of a "data breach" or fraud activity.

**k. Legal Advice or Services**

Legal advice or other legal services, except as provided by the Legal Services Additional Expense Coverage, Paragraph **1.c.(1)**.

**l. Information Recapture**

Any costs or losses for the recapture of lost, stolen or destroyed information.

**2. We will not cover Data Breach Services, Data Breach Expense Coverages or Additional Expense Coverages as provided in Paragraphs 1.a.through 1.c. arising out of, caused by, or resulting from, or in consequence of the following:**

**a. Harmful Code**

Any loss of data that results from "harmful code".

**b. Dishonesty**

Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of law by you, any of your partners, directors or trustees:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event that

contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**d. Intentional or Reckless Disregard**

Your intentional or reckless disregard for the security of "private personal data" in your care, custody or control.

**e. Intentional or Willful Complicity**

Your intentional or willful complicity in a "data breach".

**f. Prior Discovery**

Any "data breach" discovered prior to the inception of this Data Breach Coverage Form.

**g. Threats, Extortion or Blackmail**

Any threat, extortion or blackmail including but not limited to, ransom payments and private security assistance except as provided in the Data Breach Ransom Coverage Additional Expense Coverage under Paragraph 1.(c)(4).

**h. Indirectly Obtained Data**

Any "data breach" of "private personal data" for which you do not have a direct relationship with the "potentially-identified person", such as records that you aggregate, sell, store, process, transmit or transport for another entity.

**i. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

**j. War and Military Action**

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by

**d. Intentional or Reckless Disregard**

governmental authority in hindering or defending against any of these.

**SECTION C – LIMITS OF INSURANCE**

1. The most we will pay for the total of all Data Breach Expense Coverages and Additional Expense Coverages combined is the Data Breach Coverage Limit of Insurance shown in the Schedule. The Data Breach Coverage Limit of Insurance is an annual aggregate limit and is the most we will pay for the total of such covered expenses arising out of all "data breach" events discovered by you during the current annual policy period regardless of the number of "data breach" events.

2. The most we will pay for each of the Additional Expense Coverages is the sublimit shown in the Schedule. This sublimit is part of, and not in addition to, the Data Breach Coverage Limit of Insurance. The Additional Expense Coverages sublimit is an annual aggregate limit and is the most we will pay for the total of such covered expenses arising out of all "data breach" events by you during the current annual policy period regardless of the number of "data breach" events.

3. Regardless of the number of years this Data Breach Coverage Form remains in force or the number of premiums paid, no limits of insurance cumulate from policy period to policy period.

**4. Discovery Policy Period Limits Apply**

A "data breach" may be first discovered by you in one policy period but cause covered expenses in one or more subsequent policy periods. If so, all covered expenses arising from such "data breach" will be subject to the Data Breach Coverage Limit of Insurance and the Additional Expense Coverage sublimits described respectively in Paragraphs 1. and 2. above that are applicable to the policy period when the "data breach" was first discovered by you.

**5. Time Limits**

a. You must report a "data breach" to us on or within 30 days of your discovery of the "data breach".

b. You have up to one year from the date of reporting a "data breach" to initiate the services provided to you.

- c. A "potentially-identified person" has up to one year from the date he or she receives notification of a "data breach" to initiate the services provided to him or her.
- d. Once initiated the "potentially-identified person" services will continue to be provided to that person for one year.
- e. Data Breach Services under **Section A – Coverages**, Paragraph 1.a. will be provided by our Designated Service Provider for a period of 12 consecutive months from the inception of the Data Breach Services.

#### SECTION D – DEDUCTIBLE

The Data Breach Expense Coverages and Additional Expense Coverages provided under this Coverage Form are subject to the Data Breach Coverage Deductible indicated in the Schedule applying to this coverage form.

#### SECTION E – CONDITIONS

This Coverage Form is subject to the Common Policy Conditions of the Building and Personal Property Coverage Form CP 00 10, Commercial Property Conditions CP 00 90, and the following Amended Conditions and Additional Conditions:

##### 1. Amended Conditions

- a. **Loss Condition 3. Duties in the Event of Loss Or Damage under Section E. Loss Conditions** of the Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

##### 4. Duties in the Event of a Data Breach

You must see that the following are done in the event of a "data breach":

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the "data breach". As stated in **Section A – Coverages**, paragraph b., you must report the "data breach" to us within 30 days of the date you first discover it.
3. As soon as possible, give us, and/or our Designated Service Provider, a description of how, when and where the "data breach" occurred, including all

of the following information as it becomes known to you:

- (a) The method of "data breach";
  - (b) the approximate data and time of the "data breach";
  - (c) The approximate number of "potentially-identified persons" compromised as a result of the "data breach";
  - (d) A detailed description of the type and nature of the information that was compromised;
  - (e) Whether or not the information was encrypted, and, if so, the level of encryption;
  - (f) Whether or not law enforcement has been notified;
  - (g) If available, the states in which the "potentially-identified persons" are domiciled;
  - (h) If available, who received the "private personal data" as a result of the "data breach"; and
    - (i) Any other access, information or documentation we reasonably require to investigate or adjust your claim.
4. Take all reasonable steps to protect "private personal data" remaining in your care, custody or control.
  5. Preserve all evidence of the "data breach".
  6. Permit us to inspect the property and records proving the "data breach".
  7. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your



claim, including your books and records. In such event, your answers must be signed.

8. Send us a signed, sworn statement containing the information we request to investigate the claim. You must do this within 30 days after our request. We will supply you with the necessary forms.
9. Cooperate with us in the investigation or settlement of the claim.

- b. **Property Loss Condition D. Legal Action Against Us** of the Commercial Property Conditions CP 00 90 Form is replaced by the following:

**D. Legal Action Against Us**

No one may bring a legal action against us under this insurance unless:

1. There has been full compliance with all of the terms of this insurance; and
2. The action is brought within two years after the date of the "data breach" is first discovered by you.

- c. **Property General Condition H. Policy Period, Coverage Territory** under Commercial Property Conditions CP 00 90 is replaced by the following:

**H. Policy Period, Coverage Territory**

**1. Policy Period**

This policy applies only to "data breaches" that are first discovered by you during the policy period shown in the Declarations.

**2. Coverage Territory**

The "data breach" must involve "private personal data" that was within your care, custody or control within the United States of America or Puerto Rico.

**2. Additional Conditions**

The following conditions are added:

**a. Due Diligence**

You agree to use due diligence to prevent and mitigate loss covered under this Coverage Form. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for providing and maintaining the following:

1. Physical security for your premises, computer systems and hard copy files;
2. Computer and Internet security;
3. Periodic backups of computer data;
4. Protection, including but not limited to, encryption of data, for transactions such as processing credit card, debit card and check payments; and
5. Disposal of files containing "personal private data", including but not limited to shredding hard copy files and destroying physical media used to store "electronic data".

**b. No Legal Advice Provided**

We are not your legal advisor and do not provide legal counsel to you. None of the services we provide under this Data Breach Coverage Form constitute legal advice to you by us. Our determination of what is or is not covered under this Data Breach Coverage Form does not represent legal advice or counsel from us about what you should or should not do.

**c. Pre-Notification Consultation**

You agree to consult with us prior to the issuance of notification to "potentially-identified persons". We assume no responsibility under this Data Breach Coverage Form for any services promised to "potentially-identified persons" without our prior agreement. You must provide the following at our pre-notification consultation with you:

1. The exact list of "potentially-identified persons" to be notified, including contact information.
2. Information about the "data breach" that may appropriately be communicated with "potentially-identified persons".

**d. Service Providers**

1. We will only provide Data Breach Services through our Designated Service Provider(s). Any such services that are provided by any other individual or entity will not be covered by this Coverage Form.
2. We will only pay Data Breach Expense Coverages and Additional Expense Coverages (except for Data Breach Ransom Coverage and Data Breach Reward Coverage) that are provided by service providers approved by us prior to the start of any of these services. If we suggest a service provider(s) but you prefer to use an alternative service provider(s), our coverage is subject to the following limitations:
  - (a) Such alternate service provider(s) must be approved by us; and
  - (b) Our payment for services provided by any alternative service provider(s) will not exceed the amount that we would have paid using the service provider we had suggested.
3. You will have a direct relationship with any service provider, including our Designated Service Provider, paid for in whole or in part under this Coverage Form. All service providers work for you.

**e. Services**

The following conditions apply as respects any services provided to you or to any "potentially-identified person" or "identified person" by our designees or any service firm paid for under this Data Breach Coverage Form:

1. The effectiveness of such services depends on your cooperation and assistance.
2. All services may not be available or applicable to all "potentially identified persons" or "identified persons". For example, "potentially identified persons" who are minors or foreign nationals may not have

credit records that can be provided or monitored.

3. We do not warrant or guarantee that the services paid for in whole or in part by this Coverage Form will end or eliminate all problems associated with a covered "data breach".

**f. Cooperation**

You agree to cooperate with and provide full disclosure of the circumstances surrounding a "data breach" to applicable federal or state regulators, law enforcement personnel, to us, and to our Designated Service Provider(s).

If you fail to cooperate, we will not be obliged under this contract for any services and expenses that cannot be provided due to your failure to cooperate.

- g. We are not liable for any act or omission by any Designated Service Provider who is not our employee nor the employee of a third party provider of the Data Breach Services described in this Data Breach Coverage Form. We cannot be held responsible for failure to provide, or for the delay in providing, services when such failure of delay is caused by conditions beyond our control.

**h. Other Insurance**

If there is other insurance covering the same "data breach" we will pay only for the amount for Data Breach Services, Data Breach Expense Coverages, and Additional Expense Coverages in excess of the amount due from that other insurance. But we will not pay more than the applicable Limit of Insurance shown in the Schedule.

**SECTION F – DEFINITIONS**

With respect to this Data Breach Coverage Form only, the following definitions are added:

**1. Account Takeover**

"Account takeover" means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an "identified person".

## 2. Data Breach

"Data breach" means the loss, theft, accidental release or accidental publication of "private personal data" entrusted to you as respects one or more "potentially-identified persons" if such loss, theft, accidental release or accidental publication has or could reasonably result in the fraudulent use of such information.

This definition of "data breach" is subject to the following provisions:

- a. "Data breach" includes disposal or abandonment of "private personal data" without appropriate safeguards such as shredding or destruction, subject to the following provisions:

- (1) Your failure to use appropriate safeguards must be accidental and not intentional, reckless or deliberate and not in violation of your Due Diligence obligations under Paragraph 2. **Additional Conditions**, Paragraph a.; and

- (2) Such disposal or abandonment must take place during the time period for which this Data Breach Coverage Form is effective.

- b. "Data breach" includes situations where there is a reasonable cause to suspect that such "private personal data" has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.

- c. All incidents of "data breach" that are discovered at the same time or arise from the same cause or from a series of similar causes would be considered one "data breach". All theft of "private personal data" caused by any person or in which that person is involved, whether the result of a single act or series of related acts, is considered a single incident of "data breach".

## 3. Electronic Data

"Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of

computer software which are used with electronically controlled equipment. The term computer programs means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

## 4. Fines, Penalties or Assessments

"Fines, penalties or assessments" means any fines, assessments, surcharges, attorneys' fees, court costs or other penalties which you shall be required to pay as a result of a "data breach" or pursuant to any contract, law, regulation or order.

## 5. Harmful Code

"Harmful code" means any computer virus, program, routine, sub-routine, Trojan horse, worm, script or other code string that is or becomes named by any recognized anti-virus software program which destroys, alters or corrupts data or causes a "data breach", regardless of how the "harmful code" was introduced or enacted on the computer system (including "electronic data") or a network to which it is connected.

## 6. Identified Person

"Identified person" means a "potentially-identified person" who is or appears to be a victim of "identity theft" or "account takeover" that may reasonably have arisen from a covered "data breach".

## 7. Identity Theft

"Identity theft" means the fraudulent use of "private personal data". This includes the fraudulent use of such information to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

"Identity theft" does not include the use of a valid credit card, credit account or bank account. However, "identity theft" does include the fraudulent alteration of account profile information, such as the address to which statements are sent.

## 8. Potentially-Identified Person



"Potentially-identified person" means any person who is your current, former or prospective customer, employee, client, member, or patient and whose "private personal data" is lost, stolen, accidentally released or accidentally published by a "data breach" covered under this Coverage Form. This definition is subject to the following provisions:

- a. "Potentially-identified person" does not include any business or organization. Only an individual person may be a "potentially-identified person".
- b. A "potentially-identified person" must have a direct relationship with you. The following are examples of individuals who do not meet this requirement:
  - (1) If you aggregate or sell information about individuals as part of your business, "potentially-identified persons" do not include the individuals about whom you keep such information.
  - (2) If you store, process, transmit or transport records, "potentially-identified persons" do not include the individuals whose "private personal data" you are storing, processing, transmitting or transporting for another entity.

The above examples are not meant to be all inclusive but are provided as a way to identify those not meeting the requirements of this definition.

- c. A "potentially-identified person" may reside anywhere in the world. However, the coverage and services provided under this Coverage Form are only applicable and available within the Coverage Territory as defined in **SECTION E-CONDITIONS, Paragraph 2. Amended Conditions, Paragraph c.**

## 9. Private Personal Data

"Private personal data" means private identifying information that could be used to commit fraud or other illegal activity involving the credit or identity of a "potentially-identified person". This includes, but is not limited to Social Security numbers, driver's license numbers and account numbers correlated with names and addresses.

"Private personal data" does not mean or include information that is otherwise available to the public, such as names and addresses with no correlated Social Security numbers or account numbers.

## 10. Proactive Monitoring Services

"Proactive monitoring services" means the following services if you offer to provide them to "potentially-identified persons" who contact our Designated Service Provider:

- a. A credit report;
- b. credit monitoring; and or
- c. fraud/public records monitoring service or services.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ASSOCIATES AND FAMILY MEMBERS ADDITIONAL COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

### DATA BREACH COVERAGE FORM

The following Additional Coverage is added to **SECTION A – COVERAGES** of the Data Breach Coverage Form:

#### A. ASSOCIATES AND FAMILY MEMBERS ADDITIONAL COVERAGE

As described in Paragraphs 1. and 2. below, we will extend certain **Data Breach Covered Services** to your “associates” and to their “family members” following loss of their “private personal data” under the circumstances described below. This Additional Coverage does not apply to a “data breach” involving information owned or controlled by you.

1. An “associate” or “family member” whose “private personal data” is lost or stolen by circumstances such as the loss of a credit card, debit card, ATM card, checkbook, driver’s license, or passport; or the loss of a wallet, purse, or briefcase containing any of the foregoing, may contact our Designated Service Provider for the Fraud Alert service described in **Section A – Coverages**, paragraph 1.a.(3) of the Data Breach Coverage Form.
2. An “associate” or “family member” who, as a result of loss or theft of “private personal data” described in Paragraph 1. above, becomes a victim of “identity theft” or “account takeover”, may contact our Designated Service Provider for the Identity Restoration Case Management services described in **Section A – Coverages**, paragraph 1.a.(4) of the Data Breach Coverage Form.

We will provide these services for a period of one year following the date we are notified of the initial loss of “private personal data”.

#### B. DEFINITIONS

Under **Section F – Definitions**, Paragraph

1. **Account Takeover** is replaced with the following:

##### 1. Account Takeover

“Account takeover”, as respects “associates” or “family members”, means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an “associate” or “family member”.

“Account takeover”, as respects “associates” or “family members”, includes the unauthorized takeover of one or more of the “associate’s” existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit by a “family member”.

Under **Section F – Definitions**, the following Definitions are added:

1. “Associate” means an employee of the business insured under this policy.
2. “Family Member” means:
  - a. an “associate’s” spouse, or Registered Domestic Partner, or the legal equivalent thereof; or
  - b. a relative under 23 years of age who is a dependent of the “associate.”

**IDENTITY THEFT RESOLUTION SERVICES  
(POWERED BY IDENTITY THEFT 911)**

Are you or your resident family members at risk for identity theft? Do you need expert assistance with an identity-related concern? IDENTITY THEFT RESOLUTION SERVICES from Identity Theft 911 give you one-on-one assistance in the following situations:

**Access Phone Number: 800-628-0250**

If you or a resident family member suffer the loss or theft of private personal data, contact Identity Theft 911 for proactive guidance that can include Fraud Alert service. If you wish, a fraud specialist can assist and place a free fraud alert on your credit file to reduce the risk of fraudulent accounts opened in your name. This service also includes additional preventative measures and one-on-one assistance, depending on the risk.

If you or a resident family member suffer the loss or theft of private personal data, contact Identity Theft 911 for Identity Restoration Case Management services. A fraud specialist will guide you through the process of restoring your identity and handle all of the work, including completed documentation and notification assistance. Victims also receive one year of credit monitoring, as well as free fraud monitoring of over 1,000 public databases.

Keep this access information handy in case you ever need help with an identity-related problem.

**Access Phone Number: 800-628-0250**

The Hanover Insurance Group makes no guarantee of results and assumes no liability in connection with either the information or assistance provided by Identity Theft 911. Any and all external Websites or sources referred to herein are for informational purposes only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## GOLD PROPERTY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CAUSES OF LOSS – SPECIAL FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – ACTUAL LOSS SUSTAINED

The following is added to **C. Limits Of Insurance** of Building and Personal Property Coverage Form CP 00 10:

The limits applicable to the Coverages included in this endorsement may either be in addition to or included within the applicable Limits of Insurance. For application of the limits, refer to each coverage within this endorsement.

Refer to **SECTION V – DEFINITIONS** of this endorsement for additional words or phrases which appear in quotation marks as they have special meanings.

### I. COVERAGES

#### A. Scheduled Coverages

The coverages in this endorsement amend the coverage provided under the Building and Personal Property Coverage Form, Causes of Loss – Special Form, Business Income (and Extra Expense) Coverage Form and Business Income (and Extra Expense) Coverage - Actual Loss Sustained through new coverages and substitute coverage grants. These coverages are subject to the provisions applicable to this policy, except where amended within this endorsement. If any of the property covered by this endorsement is also covered under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies, in the event of loss or damage, you may choose only one of these coverages to apply to that loss. The most we will pay in this case is the limit of insurance applying to the coverage you select. Coverages included in this endorsement apply either separately to each described premises or on an “occurrence” basis. Refer to each coverage within this endorsement for application of coverage.

	Limits of Insurance	Amended Limits of Insurance	Page
1. Additional Covered Property	Included	N/A	3
2. Brands & Labels	Included	N/A	4
3. Broadened Building Coverage	Included	N/A	4
4. Broadened Business Personal Property	Included	N/A	4
5. Building Limit - Inflation Guard	Included	N/A	5
6. Business Income & Extra Expense from Dependent Properties	\$150,000	\$	5
7. Catastrophe Allowance	\$50,000	N/A	5
8. Computer and Funds Transfer Fraud	\$15,000	\$	6
9. Consequential Loss to Stock	Included	N/A	6
10. Contract Penalties	\$50,000	\$	6
11. Debris Removal	\$250,000	\$	6
12. Denial of Access to Premises	Included	N/A	7
13. E-Commerce	\$10,000	\$	7
14. Electronic Data Processing Equipment	Included	N/A	8
15. Employee Theft including ERISA Compliance	\$100,000	\$	8
16. Employee Tools and Work Clothing	\$25,000	\$	10
17. Expediting Expense	\$50,000	\$	11
18. Extended Business Income	180 Days	N/A	11

19.	Extended Coverage on Property – within 2000 feet	Included	N/A	11
20.	Extra Expense	\$300,000	\$	11
21.	Fire Protection Equipment Recharge	Included	N/A	12
22.	Food Contamination including	\$25,000	\$	12
	Additional Advertising Expense	\$3,000	\$	12
23.	Forgery or Alteration	\$30,000	\$	12
24.	Foundations & Underground Pipes	Included	N/A	13
25.	International Air Shipments	\$50,000	\$	13
26.	Inventory & Loss Appraisal	\$250,000	\$	14
27.	Key Replacement & Lock Repair	\$20,000	\$	14
28.	Lease Cancellation	\$50,000	\$	14
29.	Leasehold Interest – Tenants	\$150,000	\$	15
30.	Marring & Scratching	Included	N/A	15
31.	Money & Securities	\$25,000	\$	15
32.	Money Orders & Counterfeit Money	\$25,000	\$	16
33.	Newly Acquired or Constructed Property – Building	\$2,000,000	\$	16
	Newly Acquired – Business Personal Property	\$1,000,000	\$	16
34.	Newly Acquired Locations – Business Income & Extra Expense	\$250,000	\$	17
35.	Non-Owned Detached Trailers	\$25,000	N/A	17
36.	Ordinance or Law	\$500,000	\$	17
37.	Pollutant Clean-Up and Removal	\$100,000	\$	20
38.	Preservation of Property	90 Days	N/A	20
39.	Preservation of Property – Expense	\$50,000	\$	20
40.	Property in Transit	\$100,000	\$	21
41.	Property Off Premises	\$150,000	\$	21
42.	Prototypes	Included	N/A	21
43.	Rewards – Arson, Theft, Vandalism	\$75,000	\$	22
44.	Sales Representative Samples	\$25,000	\$	22
45.	Seasonal Increase – Business Personal Property	Included	N/A	22
46.	Sewer Backup	Included	N/A	23
47.	Soft Costs	\$25,000	\$	23
48.	Temporary Relocation of Property	\$100,000	\$	23
49.	Tenant Glass	\$15,000	\$	23
50.	Tenant Relocation	\$50,000	\$	24
51.	Theft Damage to Building	Included	N/A	24
52.	Transit Business Income & Extra Expense	\$75,000	\$	25
53.	Undamaged Tenants Improvements and Betterments	\$50,000	\$	25
54.	Underground Water Seepage	\$50,000	N/A	25
55.	Unintentional Property Reporting Errors	\$500,000	N/A	26
56.	Unnamed Locations	\$150,000	\$	26
57.	Utility Services – Direct Damage	\$100,000	\$	27
	Utility Services – Business Income	\$100,000	\$	27
58.	Voluntary Parting	\$50,000	\$	27
59.	Water Damage, Other Liquids, Powder or Molten Material Damage	\$50,000	\$	28

60. Windblown Debris	\$10,000	\$ 28
61. Worldwide Property Off-Premises	\$75,000	\$ 28

**B. Coverages Included within the Blanket Limit of Insurance:**

**Blanket Limit of Insurance** \$500,000

The Blanket Limit of Insurance shown above applies to all Coverages shown in **Section III. B.** of this Endorsement. At the time of loss, you may elect to apportion this Blanket Limit of Insurance to one or any combination of the Coverages shown, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Limit of Insurance shown above. The Blanket Limit of Insurance applies per "occurrence".

	<b>Amended Limits of Insurance</b>	<b>Page</b>
1. Accounts Receivable	\$	28
2. Deferred Payments	\$	29
3. Fine Arts	\$	29
4. Fire Department Service Charge	\$	30
5. Movement of Property	\$	30
6. Outdoor Property	\$	30
7. Personal Effects & Property of Others	\$	31
8. Research and Development Documentation	\$	31
9. Valuable Papers and Records (Other Than Electronic Data)	\$	32

**II. DEDUCTIBLE**

We will not pay for covered loss or damage in any one "occurrence" unless the amount of loss or damage exceeds the deductible amount shown in the Declarations of this Policy. We will then pay the amount of loss or damage in excess of the Deductible, up to the Limit of Insurance for all applicable coverages listed under **SECTION I – COVERAGES**. No deductible applies to coverages where specifically designated.

**III. COVERED PROPERTY****A. Scheduled Coverages****1. Additional Covered Property**

- a. The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Additional Covered Property**

- (1) You may extend the insurance that applies to your Business Personal Property to also include "theft" or attempted "theft" of your patterns, dies, molds and forms.
- b. **C. Limitations**, Paragraph **3. of Causes of Loss – Special Form CP 10 30** is replaced by the following:
3. The special limit shown for each category **a.** through **e.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one "occurrence" of "theft", regardless of the types or number of articles that are lost or damaged in that "occurrence". The special limits

are:

- a. \$10,000 for furs, fur garments and garments trimmed in fur.
- b. \$10,000 for jewelry, watches, watch movements, jewels and pearls. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$35,000 for precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals.
- d. \$5,000 for patterns, dies, molds and forms owned by others. This special limit does not apply to those patterns, dies, molds and forms owned by you or for which you are responsible under written contract existing before loss.
- e. \$1,000 for stamps, tickets, including lottery tickets held for sale, and letters of credit.



These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income coverage or to Extra Expense coverage.

All other provisions of **C. Limitations** of Causes of Loss – Special Form CP 10 30 remain unchanged.

## 2. Brands & Labels

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### Brands & Labels

- (1) If Covered Property that has a brand or label is damaged by a Covered Cause of Loss and we elect to take all or any part of the damaged property at an agreed or appraised value, you may extend the insurance that applies to Your Business Personal Property to:

- (a) Pay expenses you incur to:

(i) Remove the brand or label and then re-label the damaged property to comply with any applicable law; or

(ii) Label or stamp the damaged property as Salvage, if doing so will not physically damage the property.

- (b) Cover any reduction in the salvage value of the damaged property as a result of the removal of the brand or label.

- (2) Payment under this Extension is included within the Limit of Insurance applicable to your Business Personal Property.

## 3. Broadened Building Coverage

- a. The following is added to **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **a. Building** of Building and Personal Property Coverage Form CP 00 10:

- (6) Foundations of machinery, tanks and their component parts including all connections which are below:

- (a) The lowest basement floor; or  
(b) The surface of the ground, if

there is no basement.

- (7) Your personal property in apartments or rooms furnished by you as landlord;

- (8) The following property if it is located on or within 2000 feet of a covered building or structure:

(a) Exterior lighting fixtures or poles;

(b) Yard fixtures;

(c) Fences; and

(d) Retaining Walls whether or not attached to the building

- (9) Signs, whether or not they are attached to covered buildings or structures;

- (10) Building glass, including skylights, glass doors and windows, and their encasement frames, alarm tape, lettering and ornamentation;

- (11) Your new buildings while being built on or within 2000 feet of the described premises; and

- (12) Driveways, patios and walks.

- b. Under **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10, the \$2,500 limitation on outdoor signs is deleted.

## 4. Broadened Business Personal Property

- a. The following is added to **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **b. Your Business Personal Property** of Building and Personal Property Coverage Form CP 00 10:

- (8) Property of others that is in your care, custody or control;

- (9) "Scientific & professional equipment";

- (10) Building glass you have a contractual responsibility to insure;

- (11) "Installation, tools & equipment property"; and

- (12) Patterns, molds & dies.

- b. **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **c. Personal Property of Others** of Building and Personal Property Coverage Form CP 00 10, is deleted.

## 5. Building Limit – Inflation Guard

The following is added to **C. Limits of**

**Insurance** of Building and Personal Property Coverage Form CP 00 10:

**Building Limit – Inflation Guard**

We will pay either the actual cash value or the replacement cost value, based on the valuation method shown in the Declarations, of the damaged portion of the building at the time of loss, but not more than 115% of the Limit of Insurance for Building if:

- a. The amount of any loss covered by this policy exceeds the Limit of Insurance for Building stated in the Declarations for the damaged Building; and
- b. The actual repair or replacement is completed within one year of the date of loss.

**6. Business Income & Extra Expense from Dependent Properties**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Business Income & Extra Expense from Dependent Properties**

- (1) We will pay the actual loss of business income you sustain due to the necessary “suspension” of your “operations” during the “dependent property period of restoration”. The “suspension” must be caused by direct physical loss of or damage to “dependent property” caused by or resulting from a Covered Cause of Loss.
- (2) We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to “dependent property” caused by or resulting from a Covered Cause of Loss.
- (3) Under this Additional Coverage, the definition of Extra Expense is replaced with the following:  
Extra Expense means necessary expenses you incur during the “dependent property period of restoration” that you would not have incurred if there had been no direct physical loss or damage to the premises of any “dependent property” caused by or resulting from a Covered Cause of Loss:  
(a) To avoid or minimize the

“suspension” of business and to continue “operations”; or

- (b) To minimize the “suspension” of business if you cannot continue “operations”.
- (4) For Business Income coverage under this Additional Coverage, the Coverage Territory for “dependent property” is expanded to all parts of the world.
- (5) We will reduce the amount of your:
  - (a) Business income loss, other than extra expense, to the extent you can resume “operations” in whole or in part by using any other available:
    - (i) Source of materials; or
    - (ii) Outlet for your products
  - (b) Extra Expense loss to the extent you can return “operations” to normal and discontinue such extra expense.
- (6) The most we will pay under this Additional Coverage is \$150,000 per “occurrence” regardless of the number of “dependent properties” that are involved, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (7) The amount payable under this Additional Coverage is additional insurance.

**7. Catastrophe Allowance**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Catastrophe Allowance**

- (1) This Coverage Extension applies when the direct physical loss or damage to Covered Property is the result of an insured event for which Property Claims Service has publicly designated a catastrophe number to the event.
- (2) You may extend the insurance provided under this Coverage Form if the limits provided under **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10 are insufficient to compensate you for covered loss or damage you incur as a result of the insured Catastrophe event.



(3) This Coverage Extension may not be applied to the deductible amount of this policy or any other policy. It also may not be used to cover any loss or damage that would not be covered under this policy.

(4) The most we will pay under this Extension in any one "occurrence" is \$50,000.

The most we will pay under this Extension during each separate 12 month period of this policy is \$50,000.

#### 8. Computer and Funds Transfer Fraud

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Computer and Funds Transfer Fraud

(1) We will pay for loss of and damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described "banking premises":

(a) To a person (other than a messenger) outside those banking premises; or

(b) To a place outside those premises.

(2) The most we will pay for loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account" is \$15,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, regardless of the number of "fraudulent instructions" involved.

#### 9. Consequential Loss to Stock

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### Consequential Loss to Stock

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the reduction in value of the remaining parts of "stock" in process of manufacture that are physically undamaged but are

unmarketable as a complete product because of direct physical loss or damage from a Covered Cause of Loss to other parts of covered "stock" in process of manufacture at an insured location.

(2) Should it be determined that such "stock" retains only a salvage value, we retain the option of paying the full value of the "stock" as agreed within this policy, and taking the damaged property for salvage purposes.

(3) Payment under this Coverage Extension is included within the applicable Limit of Insurance.

#### 10. Contract Penalties

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Contract Penalties

(1) We will pay for contractual penalties you are required to pay due to your failure to provide your product or service according to contract terms because of direct physical loss or damage by a Covered Cause of Loss to Covered Property.

(2) The most we will pay for all penalties in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) The amount payable under this Additional Coverage is additional insurance.

#### 11. Debris Removal

a. **A. Coverage Paragraph 4. Additional Coverages**, subparagraph **a.(4)** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

##### (4) Debris Removal

We will pay up to an additional \$250,000 for debris removal expense, for each location, in any one "occurrence" of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage

exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

If (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- b. **A. Coverage Paragraph 4. Additional Coverages**, subparagraph a.(5) of Building and Personal Property Form CP 00 10 is deleted:

## 12. Denial of Access to Premises

The following is added to **A. Coverage**, Paragraph **5. Additional Coverages** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581:

### Denial of Access to Premises

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur when ingress to or egress from the described premises is prevented, due to direct physical loss of or damage to property that is away from but within 2000 feet of the described premises, caused by or resulting from any Covered Cause of Loss covered under this policy.
- (2) The coverage for Business Income will begin 72 hours after the loss or damage to the premises that causes the denial of access and will apply for a period of up to 30 consecutive days after coverage begins.
- (3) The coverage for Extra Expense will begin immediately after the loss or damage to the premises that causes the denial of access and will end:
- (a) 30 consecutive days after

coverage begins; or

- (b) When your Business Income coverage ends;

whichever is earlier.

## 13. E-Commerce

### a. Electronic Vandalism – Direct Damage

- (1) **A. Coverage**, Paragraph **2. Property Not Covered**, subparagraph n. of Building and Personal Property Coverage Form CP 00 10 is deleted.

- (2) **A. Coverage**, Paragraph **4. Additional Coverages**, subparagraph f. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

### f. Electronic Vandalism – Direct Damage

We cover direct physical loss or damage to covered “computer equipment” at the described premises caused by “electronic vandalism”.

### b. Electronic Vandalism - Interruption of Computer Operations

- (1) **A. Coverage**, Paragraph **4. Additional Limitation – Interruption of Computer Operations** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage – Actual Loss Sustained 411-0581 is deleted.

- (2) **A. Coverage**, Paragraph **5. Additional Coverages**, subparagraph d. of Business Income (and Extra Expense) Coverage Form CP 00 30, and Business Income (and Extra Expense) Coverage – Actual Loss Sustained 411-0581 is replaced by the following:

### d. Electronic Vandalism – Interruption of Computer Operations

You may extend the insurance that applies to Business Income & Extra Expense to apply to a “suspension” of “operations” caused by an interruption in computer

operations at the described premises due to "electronic vandalism" originating anywhere in the world.

We will only pay for loss of Business Income or Extra Expense that occurs during the "period of restoration".

- c. The most we will pay for all loss or damage from both Electronic Vandalism – Direct Damage and Electronic Vandalism – Interruption of Computer Operations in any one "occurrence" is \$10,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- d. The amount payable under this Additional Coverage is additional insurance.
- e. **Special E-Commerce Exclusions**

We do not cover:

- (1) Loss of proprietary use of any "electronic data" or "proprietary programs" that have been copied, scanned, or altered;
- (2) Loss of or reduction in economic or market value of any "electronic data" or "proprietary programs" that have been copied, scanned, or altered; and
- (3) Theft from your "electronic data" or "proprietary programs" of confidential information through the observation of the "electronic data" or "proprietary programs" by accessing covered "computer equipment" without any alteration or other physical loss or damage to the records or programs. Confidential information includes, but is not limited to, customer information, processing methods, or trade secrets.

#### 14. Electronic Data Processing Equipment

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Electronic Data Processing Equipment**

- (1) We will pay for direct physical loss or damage to the following Covered Property which is your property or property in your care, custody or control:

- (a) "Computer equipment"; and
- (b) Programming documentation and instruction manuals.

- (2) We will also cover the necessary extra expenses you incur to avoid or minimize the suspension of business and to continue "operations" because of direct physical loss or damage to covered property.

- (3) The following Exclusions do not apply to this Additional Coverage:

- (a) Earth Movement; and
- (b) Water.

- (4) We will not pay for any loss to the following property:

- (a) Property you rent, loan or lease to others while it is away from the described premises; or
- (b) Property you hold for sale, distribute or manufacture.

- (5) Payment under this Additional Coverage is included within the Limit of Insurance applicable to your Business Personal Property.

#### **(6) Special Electronic Data Processing Equipment Exclusions**

We do not cover:

- (a) Any extra expense caused by an error or omission in programming or incorrect instructions to "hardware";
- (b) Direct physical loss to covered property caused by:
  - (i) "Electrical disturbance";
  - (ii) "Power supply disturbance;";
  - (iii) "Computer virus"; or
  - (iv) "Computer hacking".

#### **15. Employee Theft including ERISA Compliance**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Employee Theft including ERISA Compliance**

- (1) We will pay for loss or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", clergy, or any non-compensated person whether identified or not, acting alone

or in collusion with other persons.

For the purposes of this Additional Coverage, "theft" shall also include "forgery".

- (2) This Additional Coverage terminates as to any "employee" as soon as:

- (a) You; or
- (b) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";

"Discovered" the "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (3) Under this Additional Coverage, "occurrence" means:

- (a) An individual act;
- (b) The combined total of all separate acts whether or not related; or
- (c) A series of acts whether or not related;

Committed by an "employee" acting alone or in collusion with other persons, during the policy period, before such policy period or both.

- (4) We will pay only for loss you sustain through acts committed or events occurring anytime which is "discovered" by you:

- (a) During the policy period; or
- (b) No later than 1 year from the date of termination or cancellation of this insurance. However this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this Additional Coverage, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (5) You may extend this coverage to apply to loss caused by any "employee" while temporarily outside the Coverage Territory for a period of not more than 90 days.

- (6) The most we will pay for all loss resulting directly from an "occurrence" is \$100,000 or the Limit of Insurance

shown in the Amended Limits Section of this Endorsement. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year.

- (7) The amount payable under this Additional Coverage is additional insurance.

#### **(8) Special Employee Theft Exclusions**

We will not pay for:

- (a) Loss resulting from "theft" or any other dishonest act committed by:

(i) You; or

(ii) Any of your partners or "members";

Whether acting alone or in collusion with other persons.

- (b) Loss caused by an "employee" if the "employee" has also committed "theft" or any other dishonest act prior to the effective date of this policy and you or any of your partners, "managers", officers, directors or trustees, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the policy period shown in the Declarations.

- (c) Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

(i) Whether acting alone or in collusion with other persons; or

(ii) While performing services for you or others;

Except when covered under this Additional Coverage.

- (d) Loss that is an indirect result of an "occurrence" covered by this Additional Coverage, including, but not limited to, loss resulting from:

(i) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";

(ii) Payment of damages of any type for which you are legally liable;

(iii) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this Additional Coverage.

- (e) Fees, costs and expenses incurred by you which are related to any legal action.
- (f) Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon
  - (i) An inventory computation; or
  - (ii) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

- (g) Loss resulting from trading, whether in your name or in a genuine or fictitious account.
- (h) Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.
- (i) Loss resulting from:
  - (i) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
  - (ii) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar no public information.

**(9) Welfare and Pension Plan ERISA Compliance**

- (a) The "employee benefit plan" (hereafter referred to as Plan) is included as an insured under this Additional Coverage.
- (b) If any Plan is insured jointly with any other entity under this

Additional Coverage, you or the Plan Administrator must select a Limit of Insurance for this Additional Coverage that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.

- (c) With respect to loss sustained or "discovered" by any such Plan, Paragraph (1) above is replaced with the following:

We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

- (d) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
- (e) If two or more Plans are insured under this Additional Coverage, any payment we make for loss:
  - (i) Sustained by two or more Plans; or
  - (ii) Of commingled "funds" or "other property" of two or more Plans;

Resulting from an "occurrence", will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.

- (f) The Deductible does not apply to this Additional Coverage.

**16. Employee Tools and Work Clothing**

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Business and Personal Property Coverage Form CP 00 10:

**Employee Tools and Work Clothing**

- (1) We will pay for direct physical loss of or damage to tools and work clothing of your "employees" damaged by a Covered Cause of Loss while such tools and work clothing are located at an insured location, your job sites or while "in transit" to and from your job



sites, while in your vehicle.

- (2) The most we will pay for loss or damage under this Additional Coverage is \$25,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, but not more than \$500 for any one tool or item of clothing. The amount payable under this Additional Coverage is additional insurance.
- (3) The Coinsurance condition does not apply to this Additional Coverage.

#### 17. Expediting Expense

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Expediting Expense

- (1) When a Covered Cause of Loss occurs to Covered Property, we will pay for the reasonable and necessary additional expenses you incur to:
  - (a) Make temporary repairs;
  - (b) Expedite permanent repair or replacement of damaged property; or
  - (c) Provide training on replacement machines or equipment.
- (2) The most we will pay for loss under this Additional Coverage in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.

#### 18. Extended Business Income

**A. Coverage, Paragraph 5. Additional Coverages**, subparagraphs **c.(1)(b)** and **(2)(b)** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage form – Actual Loss Sustained 411-0581 are replaced by the following:

- (1)(b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

- (ii) 180 consecutive days after the date determined in **(1)(a)** above.

#### (2)(b) Ends on the earlier of:

- (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would general the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
- (ii) 180 consecutive days after the date determined in **(2)(a)** above.

#### 19. Extended Coverage on Property – within 2000 feet

Under the Building and Personal Property Coverage Form CP 00 10, Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581 all provisions that limit the location of property to "within 100 feet" of a described premise are replaced with "within 2000 feet" of a described premise.

#### 20. Extra Expense

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Extra Expense

- (1) When a Covered Cause of Loss occurs to Covered Property at a location described in the declarations, we will pay for the reasonable and necessary extra expense you incur to continue as nearly as possible your normal business operations following the covered loss or damage.
- (2) The most we will pay for loss under this Additional Coverage in any one "occurrence" is \$300,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.
- (4) No deductible applies to this coverage.

#### 21. Fire Protection Equipment Recharge

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage

Form CP 00 10:

### **Fire Protection Equipment Recharge**

- (1) We will pay expenses you incur to recharge or refill your fire protection equipment due to the leakage or discharge:
  - (a) To prevent or control loss;
  - (b) Accidentally; or
  - (c) As a result of malfunction of the equipment.
- (2) The Deductible does not apply to this Additional Coverage. Payment under this Additional Coverage is included within the applicable Limit of Insurance.

## **22. Food Contamination**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Food Contamination**

- (1) If your business at the described premises is ordered closed by the Board of Health or any other governmental authority as a result of the discovery of "food contamination", we will pay:
  - (a) Your expense to clean your equipment as required by the Board of Health or any other governmental authority;
  - (b) Your cost to replace the food which is, or is suspected to be contaminated;
  - (c) Your expense to provide necessary medical tests or vaccinations for your infected "employees". However, we will not pay for any expense that is otherwise covered under a Workers' Compensation Policy;
  - (d) The loss of Business Income you sustain due to the necessary "suspension" of your "operations". The coverage for Business Income will begin 24 hours after you receive notice of closing from the Board of Health or any other governmental authority; and
  - (e) Additional Advertising expenses you incur to restore your reputation.
- (2) The most we will pay for all loss under

Paragraphs **(1)(a)** through **(1)(d)**, including Business Income is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

The most we will pay for all loss under Paragraph **(1)(e)** is \$3,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### **(3) Special Food Contamination Exclusion**

We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority as a result of the discovery of food contamination at the described premises.

## **23. Forgery or Alteration**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### **Forgery or Alteration**

- (1) We will pay for loss resulting directly from "forgery" or alteration of checks, credit cards, debit cards, charge cards, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
  - (a) Made or drawn by or drawn upon you; or
  - (b) Made or drawn by one acting as your agent;
 or that are purported to have been made or drawn.
- (2) If you are sued for refusing to pay any instrument covered in paragraph **(1)** above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.
- (3) Under this Additional Coverage, any loss:
  - (a) Caused by any one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one "occurrence" regardless of the number of checks, credit cards, debit cards, charge cards, drafts, promissory notes, or

similar written promises, orders or directions involved.

**(4) Special "Forgery" or Alteration Exclusion**

This Additional Coverage does not apply to:

Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

- (5)** The most we will pay for loss, including legal expenses, resulting directly from an "occurrence" under this Additional Coverage is \$30,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, but not more than \$1,000 for any loss arising from any credit, debit or charge card forgery or "Alteration". Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year. The Deductible does not apply to this Additional Coverage.

- (6)** The amount payable under this Additional Coverage is additional insurance.

**24. Foundations & Underground Pipes**

- a. The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Foundations & Underground Pipes**

- (1)** You may extend the insurance that applies to Building to apply to loss or damage to:

- (a)** Foundations of buildings, structures, machinery or boilers if their foundations are below:

- (i)** The lowest basement floor; or

- (ii)** The surface of the ground, if there is no basement;

- (b)** Underground pipes, flues and drains; and

- (c)** The cost of excavating, grading, backfilling or filling

when such loss or damage is caused by a Covered Cause of Loss.

- (2)** The most we will pay for loss under this Coverage Extension is the applicable building Limit of Insurance.

- (3)** Payment under this Addition Coverage is included within the applicable Limit of Insurance.

- b. **A. Coverage, Paragraph 2. Property Not Covered**, subparagraphs **f.**, **g.**, and **m.** of Building and Personal Property Coverage Form CP 00 10, do not apply to this coverage.

**25. International Air Shipments**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**International Air Shipments**

- (1)** You may extend the insurance that applies to your Business Personal Property and Personal Property of Others that we ship to apply to that property; while being shipped by air:

- (a)** Anywhere within the Coverage Territory to or from a location outside of the coverage territory; or

- (b)** Between locations outside of the coverage territory;

- (2)** This coverage extension only applies to the shipment of your property which originates and terminates at a location specified in the air waybill.

- (3)** The most we will pay for loss or damage under this Extension in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(4) Special International Air Shipments Exclusion**

This Extension does not apply to:

Business Personal Property if there is other insurance in force covering the same loss.

**26. Inventory & Loss Appraisal**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Inventory and Loss Appraisal**

- (1)** We will pay all reasonable expenses you incur at our request to assist us in:



- (a) The investigation of a claim;
  - (b) The determination of the amount of loss, such as taking inventory; or
  - (c) The cost of preparing specific loss documents and other supporting exhibits.
- (2) Expenses you incur include costs charged to you by others, including property managers, acting on your behalf to assist us with item (1) above.
- (3) The Deductible does not apply to this Extension.
- (4) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(5) Special Inventory and Loss Appraisal Exclusions**

We will not pay for expenses:

- (a) Incurred to perform your duties in the event of loss under **E. Loss Conditions** of Building and Personal Property Coverage Form CP 00 10;
- (b) To prove that loss or damage is covered;
- (c) Billed by and payable to independent or public adjusters, attorneys or any of their affiliated or associated entities;
- (d) To prepare claims not covered by this policy; or
- (e) Incurred under any Appraisal provisions within the policy.

**27. Key Replacement & Lock Repair**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Key Replacement & Lock Repair**

- (1) You may extend the insurance provided under this Coverage Form to cover the reasonable and necessary expense you incur due to a covered "theft" for:
- (a) Replacement of keys if they are stolen;
  - (b) Lock repair; or

- (c) Rekeying, replacing or reprogramming undamaged locks to accept new keys or entry codes when the building security has been compromised.

- (2) The most we will pay under this Extension is \$20,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement. The Deductible does not apply to this Extension.

**28. Lease Cancellation**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Lease Cancellation**

- (1) We will pay the actual loss of business income you sustain due to the cancellation of a lease by your tenants in a Covered Building due to untenability that is caused by direct physical loss or damage to that building from a Covered Cause of Loss.

This Additional Coverage only applies if at the time of loss the building was occupied and business was being conducted by the tenant canceling the lease or their sub-lessee; or a lease was signed but the building was not yet occupied by the tenant.

- (2) We will pay for loss of business income that you sustain after tenantability is restored and until the earlier of:

- (a) The date you lease the premises to another tenant; or

- (b) 12 months immediately following the "period of restoration".

- (3) The amount payable under this Additional Coverage is additional insurance.

- (4) Regardless of the number of tenants canceling a lease at the described premises, the most we will pay under this Additional Coverage is \$50,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(5) Special Lease Cancellation Exclusions**

We will not pay for:

- (a) Lease cancelled after the "period

of restoration”;

- (b) Lease cancelled, suspended or allowed to lapse by you;
- (c) Return of pre-paid rent or security and other deposits made by tenants; or
- (d) Lease cancelled at the normal expiration date.

## 29. Leasehold Interest – Tenants

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages**, of Building and Personal Property Coverage Form CP 00 10:

### Leasehold Interest – Tenants

- (1) We will pay for the loss of prepaid rent you sustain due to the cancellation of your written lease. The cancellation must result from direct physical loss or damage to property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.
- (2) This Additional Coverage only applies if at the time of loss you were occupying and conducting business at the described premises.
- (3) The amount payable under this Additional Coverage is additional insurance.
- (4) The most we will pay for loss in any one “occurrence” is the lesser of:
  - (a) The unused pro-rata portion of prepaid rent based on the period of time remaining in your lease, which you have paid at the described premises where your lease was cancelled; or
  - (b) \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### (5) Special Leasehold Interest Exclusion

We will not pay for:

- (a) Lease cancelled, suspended or allowed to lapse by you; or
- (b) Lease cancelled at the normal expiration date.

## 30. Marring & Scratching

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

## Marring & Scratching

- (1) You may extend the insurance that applies to Business Personal Property to apply to damage caused directly by sudden and accidental marring and scratching of:
  - (a) Your “stock”;
  - (b) Your printing plates; or
  - (c) Property of others that is in your care, custody or control.
- (2) This Extension does not apply to:
  - (a) Property at other than the described premises; or
  - (b) Property in transit.
- (3) Payment under this Extension is included within Limit of Insurance applicable to your Business Personal Property.

## 31. Money & Securities

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Money & Securities

- (1) We will pay for loss of “money” and “securities” while:
  - (a) Inside the described premises;
  - (b) At a “banking premises”;
  - (c) Temporarily within your living quarters or the living quarters of any other member, volunteer; or
  - (d) “employee” having use and custody of the property; or
  - (e) “In transit” between (1)(a), (1)(b), or (1)(c)
 that results directly from:
  - (f) “theft”; or
  - (g) Disappearance or destruction.
- (2) Under this Additional Coverage, all loss:
  - (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one “occurrence”.
- (3) You must keep records of all “money” and “securities” so we can verify the amount of any one loss or damage.
- (4) The amount payable under this

Additional Coverage is additional insurance.

- (5) The most we will pay for loss in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(6) Special Money & Securities Exclusions**

We will not pay for loss:

- (a) Resulting from accounting or arithmetic errors or omissions;
- (b) Resulting from giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (d) Loss or damage to "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described "banking premises":
  - (i) To a person (other than a messenger) outside those premises; or
  - (ii) To a place outside those premises.

**32. Money Orders & Counterfeit Money**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Money Orders & Counterfeit Money**

- (1) We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:
  - (a) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
  - (b) "Counterfeit money" that is acquired during the regular course of business.
- (2) The most we will pay for loss in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (3) The amount payable under this Additional Coverage is additional insurance.

**33. Newly Acquired or Constructed Property**

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph **a.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**a. Newly Acquired or Constructed Property**

**(1) Buildings**

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$2,000,000 at each building or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(2) Business Personal Property**

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

The most we will pay for loss or damage under this

Extension is \$1,000,000 at each building or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(b) This Extension does not apply to:

(i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

(ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) This insurance may not be used to increase your Business Personal Property Limit. It does not apply to personal property you acquire as part of your usual customary business dealings whether or not such acquisition was related to anticipated seasonal demands. Under the terms of this policy, such property is not considered newly acquired, but falls within the provisions for Business Personal Property.

#### (4) Period of Coverage

With respect to insurance provided under this Coverage Extension for newly Acquired or Constructed Property, coverage will end when any of the following first occurs:

(a) This policy expires;

(b) 180 days after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

### 34. Newly Acquired Locations – Business Income & Extra Expense

#### A. Coverage, Paragraph 6. Coverage

**Extension** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581, **Newly Acquired Locations** is replaced by the following:

#### Newly Acquired Locations

a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.

b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$250,000 at each location or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

### 35. Non-Owned Detached Trailers

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph f. **Non-Owned Detached Trailers**, item (3) of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

(3) The most we will pay for loss or damage under this Extension is \$25,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### 36. Ordinance or Law

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### Ordinance or Law

(1) This Additional Coverage applies only to buildings which are insured on a Replacement Cost basis.

#### (2) Application of Coverage

This Additional Coverage applies only if both (a) and (b) below are satisfied and are then subject to the

qualifications set forth in **(c)**.

**(a) The Ordinance or Law:**

- (i)** Regulates the construction or repair of a building or structure, or establishes zoning or land use requirements at the described premises;
- (ii)** Requires the demolition of undamaged parts of a covered building or structure that is damaged or destroyed by a Covered Cause of Loss; and
- (iii)** Is in force at the time of loss.

But coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this coverage.

- (b) (i)** The building sustains direct physical damage that is covered under this Policy and such damage results in enforcement of or compliance with the ordinance or law; or
- (ii)** The building sustains both direct physical damage that is covered under this Policy and direct physical damage that is not covered under this Policy, and the building damage in its entirety results in enforcement of or compliance with the ordinance or law.
- (iii)** But if the building sustains both direct physical damage that is covered under this Policy and direct physical damage that is not covered under this Policy, and the damage that is not covered is the subject of the ordinance or law, then there is no coverage under this Additional Coverage.
- (c)** In the situation described in **(b)(ii)** above, we will not pay the full amount of loss otherwise payable under the terms of coverages for Coverage for Loss to Undamaged portion of the Building, Demolition Cost Coverage or Increased Cost

of Construction Coverage. Instead, we will only pay the proportion that covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of the loss otherwise payable under the terms of Coverage for Loss or Damage to the Undamaged Portion of the Building, Demolition Cost Coverage or Increased Cost of Construction Coverage.

- (3)** We will not pay under this Additional Coverage for the costs associated with the enforcement of any ordinance or law which requires an insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

**(4) Coverage**

**(a) Loss to Undamaged Portion of the Building**

With respect to the building that has sustained covered direct physical damage; we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building. Coverage for Loss to the Undamaged Portion of the Building is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage does not increase the Limit of Insurance.

**(b) Demolition Cost**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of the undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.



**(c) Increased Cost of Construction**

With respect to the building that has sustained covered direct physical damage; we will pay the increased cost to:

- (i) Repair or reconstruct damaged portions of that buildings; and/or
- (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

When the increased cost is a consequence of enforcement of or compliance with the minimum requirements of the ordinance or law.

However:

This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

**(5) Loss Payment**

- (a) The following loss payment provisions are subject to the apportionment procedure set forth in Section **m.2.(c)** of this Additional Coverage.
- (b) When there is a loss in value of an undamaged portion of the building to which Coverage for Loss to the Undamaged Portion of the building applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - (i) If the property is repaired or replaced on the same premises, we will not pay more than the lesser of:
    - 1) The amount you actually spend to repair, rebuild or reconstruct the building,

but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- 2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (ii) If the property is not repaired or replaced, we will not pay more than the lesser of:
  - 1) The actual cash value of the building; or
  - 2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (c) The most we will pay for the total of all covered losses for Demolition Cost and Increased Cost of Construction is the Limit of Insurance shown below. Subject to this combined Limit of Insurance, the following loss payment provisions apply:
  - (i) For Demolition Cost, we will not pay for more than the amount you actually spend to demolish and clear the site of the described premises.
  - (ii) For Increased Cost of Construction:
    - 1) We will not pay for the increased cost of construction:
      - a) Until the property is actually repaired or replaced, at the same or another premises; and
      - b) Unless the repairs or replacement are made as soon as possible after the loss or damage, not to exceed two years.
    - 2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will

pay for the increased cost of construction is the increased cost of construction at the same premises.

(iii) The most we will pay for loss under Demolition Cost and Increased Cost of Construction for each building is \$500,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(iv) Under this endorsement we will not pay for loss due to any ordinance or law that:

- 1) You were required to comply with before the loss, even if the building was undamaged; and
- 2) You failed to comply with

### **37. Pollutant Clean-Up and Removal**

**A. Coverage, Paragraph 4. Additional Coverages**, subparagraph d. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### **d. Pollutant Clean-Up and Removal**

- (1) We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.
- (2) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants".
- (3) But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
- (4) The most we will pay under this Additional Coverage for each described premises is \$100,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, for the sum of all covered expenses arising out

of Covered Causes of Loss occurring during each separate 12-month period of this policy.

- (5) This Additional Coverage is an additional amount of insurance.

### **38 Preservation of Property**

**A. Coverage, Paragraph 4. Additional Coverage**, subparagraph b. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### **b. Preservation of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 90 days after the property is first moved.

### **39. Preservation of Property – Expense**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Preservation of Property – Expense**

- (1) If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay your expenses to move or store the Covered Property.
- (2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.
- (3) The most we will pay under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) Additional Coverage The amount payable under this is additional insurance.

### **40. Property in Transit**

**F. Additional Coverage Extensions**, Paragraph 1. of Causes of Loss – Special Form CP 10 30 is replaced by the following:

#### **1. Property in Transit**

- a. You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to your property or property of others that is in your care, custody or control while "in transit".
- b. You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to outgoing shipments that have been rejected, while in due course of transit back to you or while awaiting return shipment to you.
- c. This Extension applies to the property while:
  - (1) In a vehicle owned, leased or operated by you; or
  - (2) In the custody of a common carrier or contract carrier.
- d. The following Exclusions do not apply to this Extension:
  - (1) Earth Movement; and
  - (2) Water.
- e. The most we will pay for loss or damage under this Extension is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- f. This Coverage Extension is additional insurance.
- g. **Special Property in Transit Exclusions**  
This Extension does not apply to:
  - (1) Shipments that belong to others that you are transporting for a fee;
  - (2) Salesperson's samples; or
  - (3) Loss to "perishable stock" resulting from a breakdown of refrigeration equipment on any vehicle owned, leased or operated by you or while in the custody of a common or contract carrier.

#### 41. Property Off Premises

**A. Coverage, Paragraph 5. Coverage Extensions, subparagraph d. of Building**

and Personal Property Coverage Form CP 00 10, is replaced by the following:

#### d. Property Off Premises

- (1) You may extend the insurance that applies to Business Personal Property while:
  - (a) Temporarily at a location you do not own, lease or operate; or
  - (b) At any fair, trade show or exhibition.
- (2) The most we will pay for loss or damage under this Extension is \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) **Special Property Off Premises Exclusion**  
This extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

#### 42. Prototypes

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### Prototypes

- (1) You may extend the insurance that applies to your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to "prototypes" related to your "research and development operations" that:
  - (a) You own; or
  - (b) Are owned by others and in your care, custody or control; while at a described premises.
- (2) We will not pay for loss or damage to "prototypes" until you actually replicate such property. Repairs or replication must be made as soon as reasonably possible after the loss or damage, but in no event later than two years after the loss or damage unless we grant an extension in writing prior to the expiration of the two year period.



- (3) Payment under this Extension is included within your Business Personal Property Limit of Insurance.

#### **43. Rewards – Arson, Theft, Vandalism**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages**, of Building and Personal Property Coverage Form CP 00 10:

##### **Rewards – Arson, Theft, Vandalism**

- (1) We will reimburse you for payment of any reward offered on your behalf and for information that leads to the arrest and conviction of the person or persons responsible for:
  - (a) Arson;
  - (b) "Theft"; or
  - (c) Vandalism
 to Covered Property.
- (2) The arrest or conviction must involve a covered loss caused by arson, "theft" or vandalism.
- (3) The most we will pay under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement. The amount we pay is not increased by the number of persons involved in providing the information.
- (4) The amount payable under this Additional Coverage is additional insurance.
- (5) The deductible does not apply to this Additional Coverage.

#### **44. Sales Representative Samples**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Sales Representative Samples**

- (1) We will pay for direct physical loss or damage by a Covered Cause of Loss to samples of your "stock" in trade (including containers) while:
  - (a) In the custody of your sales representative, agent or any "employee" who travels with sales samples;
  - (b) In your custody while acting as a sales representative; or
  - (c) "In transit" between the described premises and your sales

representatives.

- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay for any loss or damage under this Additional Coverage is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.
- (5) We will not pay for loss to the following property:
  - (a) Property which has been sold;
  - (b) Jewelry, precious or semiprecious stones, gold, silver, platinum or other precious metals or alloys;
  - (c) Fur, fur garments of garments trimmed with fur; or
  - (d) Any property while waterborne.

#### **(6) Special Sales Representative Sample Exclusion**

We do not cover loss resulting from "theft" from an unattended vehicle, except when it is securely locked its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

#### **45. Seasonal Increase – Business Personal Property**

The following is added to **A. Coverage**, Paragraph **5 Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Seasonal Increase – Business Personal Property**

- (1) The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations in your business.
- (2) This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lessor of:
  - (a) The 12 months immediately preceding the date the loss or damage occurs; or
  - (b) The period of time you have been in business as of the date the loss

or damage occurs

#### 46. Sewer Backup

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Sewer Backup**

- (1) We will pay for direct physical loss or damage to Covered Property at the described premises, solely caused by or resulting from water or waterborne material carried or moved by water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. The term drain includes a roof drain and its related fixtures.
- (2) Payment under this Additional Coverage is included within the applicable Limit of Insurance for Covered Property at the location of loss or damage.
- (3) **Special Sewer Backup Exclusion**

We will not pay for:

- (a) Loss or damage from water or other materials that back-up or overflow from any sewer or drain, sump, sump pump or related equipment when it is caused by or results from any "flood", regardless of the proximity of the back-up or overflow to the "flood" condition; or
- (b) Failure to keep a sump pump or its related equipment in proper working condition; or
- (c) Failure to perform routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

#### 47. Soft Costs

The following is added to **A. Coverage**, Paragraph **5 Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Soft Costs**

- (1) We will pay the actual "soft cost expenses" that arise out of a delay in the construction, erection or fabrication of a Covered Building that is listed in paragraphs **A.1.a.(5)** of Building and Personal Property Coverage Form CP 00 10 and Section **III.A.3.a.(11)** of this

endorsement resulting from direct physical loss or damage to that Covered Building from a Covered Cause of Loss.

- (2) We will only pay the necessary "soft cost expenses" that are over and above those costs that would have been incurred had there been no delay.
- (3) The most we will pay under this Extension in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### 48. Temporary Relocation of Property

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Temporary Relocation of Property**

- (1) We will pay for loss of or damage to Covered Property from a Covered Cause of Loss while it is away from the described premises, if it is being stored temporarily at a location you do not own, lease or operate while the described premises is being renovated or remodeled.
- (2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.
- (3) The most we will pay under this Additional Coverage is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.

#### 49. Tenant Glass

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Tenant Glass**

- (1) If glass in a building you occupy, but do not own, is damaged, we will pay for direct physical loss of or damage to glass.
- (2) This insurance includes replacement of lettering, artwork, ornamentation, sensors or other items permanently affixed to, or a part of a building at an

insured location.

- (3) For coverage to apply, the glass must be in your care, custody or control and repairs must be made at your expense.
- (4) We will also pay for necessary:
  - (a) Expenses incurred to put up temporary plates or board up openings when repair or replacement of the damaged glass is delayed;
  - (b) Repair or replacement of encasing frames; and
  - (c) Expenses incurred to remove or replace obstructions to repair or replace the damaged glass.

This does not include the cost of removing, replacing or rebuilding window displays.

- (5) Paragraph **B. Exclusions** of Causes of Loss Special Form CP 10 30 does not apply to this Additional Coverage, except for:

- (a) Paragraph **B.1.b. Earth Movement**;
- (b) Paragraph **B.1.c. Governmental Action**;
- (c) Paragraph **B.1.d. Nuclear Hazard**;
- (d) Paragraph **B.1.f War & Military Action**; and
- (e) Paragraph **B.1.g. Water**.

- (6) We will not pay for loss or damage caused by or resulting from:

- (a) Wear and tear;
- (b) Hidden or latent defect;
- (c) Corrosion; or
- (d) Rust;

whatever its origin or cause.

- (7) The most we will pay for loss or damage in an "occurrence" under this Additional Coverage is \$15,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (8) The amount payable under this Additional Coverage is additional insurance.

#### 50. Tenant Relocation

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of

Building and Personal Property Coverage Form CP 00 10:

#### Tenant Relocation

- (1) In the event that your tenants must temporarily vacate the covered Building at the described premises due to untenability caused by direct physical loss or damage by a Covered Cause of Loss, we will pay the following expenses you actually incur to move those tenants out of and back into your covered Building.
- (2) We will only pay for the following expenses:
  - (a) Packing, transporting and unpacking the tenant's Business Personal Property including the cost of insuring the move out and back and any necessary disassembly and reassembly or setup of furniture and equipment; and
  - (b) The net cost to discontinue and re-establish the tenants' utility and telephone services, after any refunds due the tenants.
- (3) We will only pay for these expenses that you actually incur within 60 days of the date that the damaged buildings has been repaired or rebuilt.
- (4) Regardless of the number of tenants' involved, the most we will pay in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### 51. Theft Damage to Building

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### Theft Damage to Building

- (1) You may extend the insurance that applies to your Business Personal property to apply to direct physical loss or damage to:
  - (a) That part of the non-owned building where you are a tenant; and
  - (b) Non-owned equipment within the building used to maintain or service the building;

Caused by or resulting from "theft" or attempted "theft".

- (2) This Extension applies only to a premise where you are a tenant and to this premises and non-owned equipment only if you have a contractual obligation to insure.
- (3) Payment under this extension is included within the Limit of Insurance applicable to your Business Personal property.
- (4) We will pay nothing if others pay for the repairs or replacement.

## **52. Transit Business Income & Extra Expense**

The following is added to **A. Coverage**, Paragraph **5. Additional Coverages** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581:

### **Transit Business Income & Extra Expense**

- (1) We will pay the actual loss of Business Income you sustain and necessary and reasonable Extra Expense you incur caused by direct physical loss of or direct physical damage to Covered Property while “in transit” caused by or resulting from a Covered Cause of Loss.
- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay for loss in any one “occurrence” under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.

## **53. Undamaged Tenants Improvements and Betterments**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Undamaged Tenants Improvements and Betterments**

- (1) You may extend the insurance that applies to your Business Personal Property to apply to your use as a tenant in the undamaged portion of

Improvements and Betterments due to the cancellation of your written lease:

- (a) Made part of the building or structure you occupy but do not own; and
  - (b) You acquired but cannot legally remove.
- (2) The cancellation must result from:
- (a) Direct physical loss or damage to a building at premises described in the Declarations caused by or resulting from any Covered Cause of Loss
- (3) We will determine the proportionate value of Undamaged Tenants Improvements and Betterments as Follows:
- (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (4) The most we will pay for loss or damage under this Extension in any one “occurrence” is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
  - (5) The amount payable under this Coverage Extension is additional insurance.

## **54. Underground Water Seepage**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### **Underground Water Seepage**

- (1) We will pay for direct physical loss or damage to Covered Property at the described premises, caused by or resulting from water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces; or

(b) Basements, whether paved or not.

- (2) The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$50,000.
- (3) The amount payable under this Additional Coverage is additional insurance.

#### **55. Unintentional Property Reporting Errors**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Unintentional Property Reporting Errors**

- (1) If "you" unintentionally failed to report or describe a location to "us", coverage provided by this policy will not be invalid. However, "you" must report such errors or omission to "us" in writing as soon as you discover them. "You" also agree to pay the additional premium that would have been earned by "us" if the location was correctly reported to "us".
- (2) This Additional Coverage only applies to direct loss or damaged caused by a Covered Cause of Loss at the omitted location and does not include any coverage for the perils of flood or earthquake even if flood and earthquake coverage is purchased for this or another policy.
- (3) You must provide reasonable documentation and clear and convincing evidence explaining the cause of the oversight.
- (4) For any location you have failed to report to us, this coverage will end when any of the following first occurs:
  - (a) This policy expires; or
  - (b) You report values to us.
- (5) The most we will pay for any loss under this Additional Coverage in any one policy period regardless of the number of occurrences or reporting errors or omissions is \$500,000.
- (6) The amount payable under this Additional Coverage is additional insurance.
- (7) This Additional Coverage does not apply to a loss that is covered under **Newly Acquired or Constructed Property** coverage.

#### **56. Unnamed Locations**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### **Unnamed Locations**

- (1) You may extend the insurance that applies to your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to your property or property of others that is in your care, custody or control while it is at other than a described location, but located within the Coverage Territory.

#### **(2) Special Unnamed Locations Exclusions**

This Extension does not apply to:

- (a) Loss or damage caused directly or indirectly by "Flood" or Earthquake, even when these Causes of Loss are added to this policy by endorsement.
- (b) Loss or damage covered under the following Additional Coverages or Extensions:
  - (i) Property in Transit
  - (ii) Sales Representatives Samples; or
  - (iii) Property on Exhibition.
- (c) Any property that is covered under this Coverage Part or policy, or any other policy, whether collectible or not.
- (3) The most we will pay for loss or damage in any one "occurrence" under this Extension of Coverage is \$150,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, regardless of the number of unnamed locations.

#### **57. Utility Services**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Utility Services**

- (1) We will pay for loss of or damage to Covered Property caused by an interruption in service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property



not on the described premises that provides the services shown below in paragraph (3).

The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$100,000 at each described premises or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (2) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur caused by the interruption of service at the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not on the described premises that provides the services shown below in paragraph (3).

We will only pay for loss you sustain after the first 24 hours following the direct physical loss or damage to the property described above.

The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$100,000 at each described premises or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) Services:

- (a) Water Supply Services, meaning the following types of property supplying water to the described premises:
- (i) Pumping stations; and
  - (ii) Water mains.
- (b) Communication Supply Services, meaning the following types of property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
- (i) Communication transmission lines, including optic fiber transmission lines;
  - (ii) Coaxial cables; and
  - (iii) Microwave radio relays except satellites.
- (c) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (i) Utility generating plants;
- (ii) Switching stations;
- (iii) Substations;
- (iv) Transformers; and
- (v) Transmission lines.

Services under this Additional Coverage do not include overhead transmission lines that deliver utility services to you. Overhead transmission lines include, but are not limited to:

- (vi) Overhead transmission and distribution lines;
- (vii) Overhead transformers and similar equipment; and
- (viii) Supporting poles and towers.

- (4) As used in this additional coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

- (5) This coverage is not an additional amount of insurance.

- (6) Coverage under this Additional Coverage for loss or damage to Covered Property does not apply to loss or damage to "electronic data", including destruction or corruption of "electronic data".

**(7) Special Utility Services Exclusion**

Coverage under this Additional Coverage does not include loss of "perishable goods" due to "spoilage" that results from:

- (a) Complete or partial lack of electrical power; or
- (b) Fluctuation of electrical current.

**58. Voluntary Parting**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Voluntary Parting**

- (1) We will pay for loss or damage to covered property when you or your "employees" are fraudulently induced to part with Covered Property to or by:
- (a) Persons who falsely represent themselves as the proper persons to receive the property; or

(b) Acceptance of fraudulent bills of lading or shipping receipts.

- (2) The most we will pay under this additional coverage is \$50,000 for any one "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### **59. Water Damage, Other Liquids, Powder or Molten Material Damage**

**F. Additional Coverage Extensions,** Paragraph 2. of Causes of Loss – Special Form CP 10 30 is replaced by the following:

##### **2. Water Damage, Other Liquids, Powder or Molten Material Damage**

- a. If loss or damage caused by or resulting from covered water damage or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure, or, in the case of underground pipes, lawns, shrubs or paved areas, to repair damage to the system or appliance from which the water or other substance escapes.
- b. Payment under this Additional Coverage is included within the applicable Limit of Insurance. The maximum we will pay for loss or damage to lawns, shrubs or paved areas is \$50,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**THIS IS NOT FLOOD INSURANCE OR PROTECTION FROM AN INUNDATION OF SURFACE WATER, HOWEVER CAUSED.**

#### **60. Windblown Debris**

The following is added to **A. Coverage**, Paragraph 5. **Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Windblown Debris**

- (1) We will pay your reasonable expenses to remove the windblown debris (including trees) from the described premises, if it is carried to the described premises from the premises of others by wind, during the policy period.
- (2) The most we will pay in any one

"occurrence" in total for the removal of all windblown debris under this Extension is \$10,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### **61. Worldwide Property Off-Premises**

The following is added to **A. Coverage**, Paragraph 5. **Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Worldwide Property Off-Premises**

- (1) You may extend the insurance that applies to your Business Personal Property and Personal Property of Others to apply to that property while it is temporarily outside the coverage territory if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) Temporarily on display or exhibit at any fair, trade show or exhibition;
  - (c) Samples of your "stock" in trade in the custody of your sales representatives; or
  - (d) While "in transit" between the described premises and a location described in (a), (b) or (c) above.
- (2) The most we will pay for loss or damage under this Extension is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) This Extension provides an additional amount of insurance.

#### **B. Coverages Included within the Blanket Limit of Insurance**

##### **1. Accounts Receivable**

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Accounts Receivable**

- (1) We will pay for loss or damage caused by or resulting from a Covered Cause of Loss to your records of Accounts Receivable.  
Accounts Receivable means:
  - (a) All amounts due from your customers that you are unable to collect;
  - (b) Interest charges on any loan



required to offset amounts you are unable to collect pending our payment of these amounts;

- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
  - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- (2) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### (3) Special Accounts Receivable Exclusions

We will not pay for loss or damage:

- (a) Caused by alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or "other property".  
This exclusion applies only to the extent of the wrongful giving, taking or withholding
- (b) Caused by bookkeeping, accounting or billing errors or omissions
- (c) That requires any audit of records or any inventory computation to prove its factual existence.

## 2. Deferred Payments

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 0010:

### Deferred Payments

- (1) We will pay for your interest in lost or damaged Personal Property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers. The loss or damage must be caused by a Covered Cause of Loss.
- (2) When a total loss to that property occurs, deferred payments are valued on the amount shown on your books as due from the buyer.

When a partial loss to that property occurs and the buyer refuses to continue payment, forcing you to repossess, deferred payments are valued as follows:

- (a) If the realized or appraised value of the repossessed property is greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; but
  - (b) If the realized value of the repossessed property is less than the amount shown on your books as due from the buyer, we will pay the difference.
- (3) When loss occurs and the buyer continues to pay you, there will be no loss payment.
- (4) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 3. Fine Arts

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Fine Arts

- (1) We will pay for direct physical loss to "fine arts" which are your property or the property of others in your care, custody or control while on the described premises. We also cover your "fine arts" while temporarily on display or exhibit away from the described premises or while "in transit" between the described premises and a location where the "fine arts" will be temporarily on display or exhibit.
- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this

Endorsement.

- (4) The amount payable under this Additional Coverage is additional insurance.

**(5) Special Fine Arts Exclusion**

We will not pay for any loss caused by or resulting from:

- (a) Breakage of statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property. But we will pay if the loss or damage is caused directly by a "specified cause of loss", earthquake or flood; and
- (b) Any repairing, restoration or retouching of the "fine arts".

**4. Fire Department Service Charge**

**A. Coverage, Paragraph 4. Additional Coverages**, subparagraph c. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**c. Fire Department Service Charge**

- (1) When the fire department is called to save or protect Covered Property from a Covered Loss, we will pay your actual expenses for your liability for fire department service charges at each described premises.
- (2) This Additional Coverage applies to your liability for fire department service charges:
  - (a) Assumed by contract or agreement prior to loss; or
  - (b) Required by local ordinance.
- (3) No deductible applies to this Additional Coverage.
- (4) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at each described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (5) Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

**5. Movement of Property**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Movement of Property**

- (1) You may extend the insurance that applies to Covered Property to apply to direct physical loss or damage from a Covered Cause of Loss to your Business Personal Property from an insured location which has been deleted from this policy if:
  - (a) You moved Covered Property from the deleted location to a new premises; and
  - (b) A Limit of Insurance for the new premises has been added to this policy; and
  - (c) The direct physical loss or damage occurs to Covered Property at the prior insured location before the movement of property to the new premises is completed.
- (2) Insurance under this Coverage Extension will end when any of the following first occurs:
  - (a) The movement of property to the new premises is completed; or
  - (b) 30 days after the effective date of the endorsement adding the new premises.
- (3) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**6. Outdoor Property**

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph e of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**e. Outdoor Property**

- (1) You may extend insurance provided by this Coverage Form to apply to your radio and television antennas (including satellite dishes), trees, shrubs, plants and lawns which are "stock" or are a part of a vegetated roof, including

debris removal expense, caused by or resulting from any of the following causes of loss:

- (a) Fire;
  - (b) Windstorm;
  - (c) Hail;
  - (d) Lightning;
  - (e) Explosion;
  - (f) Riot or Civil Commotion;
  - (g) Vandalism;
  - (h) Aircraft or Vehicles;
  - (i) Theft; or
  - (j) Falling Objects.
- (2) Coverage under this Extension does not apply to property held for sale by you.
- (3) We will not pay more than \$1,000 for loss or damage to any one tree, shrub or plant under this Extension.
- (4) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 7. Personal Effects & Property of Others

**A. Coverage, Paragraph 5. Coverage Extensions, subparagraph b.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

### **b. Personal Effects & Property of Others**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to:
- (a) Personal effects owned by you, your officers, your partners or members, your managers or officers, your directors, your trustees or your employees.
  - (b) Personal property of others in your care, custody or control.
- (2) We will not pay more than \$5,000 in total for loss or damage for any one person, in any one "occurrence". Our payment for

loss or damage to personal property of others will only be for the account of the owner of the property. No deductible applies to this Extension.

- (3) Regardless of the number of persons involved, the most we will pay under this Extension is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 8. Research and Development Documentation

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Research and Development Documentation**

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage, resulting from a Covered Cause of Loss, to "research and development documentation" that you own or that is in your care, custody or control at a described premises.
- (2) Paragraph **B. Exclusions** of Causes of Loss – Special Form CP 10 30 do not apply to this Coverage Extension, except for:
- (a) Paragraph **B.1.c. Governmental Action**;
  - (b) Paragraph **B.1.d. Nuclear Hazard**;
  - (c) Paragraph **B.1.f. War and Military Action**;
  - (d) Paragraph **B.2.h. Dishonesty**;
  - (e) Paragraph **B.2.i. False Pretense**; and
  - (f) Paragraph **B.3.**
- (3) This Coverage Extension does not apply to loss or damage caused by or resulting from:
- (a) Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
    - (i) Programming errors or faulty machine instructions; or
    - (ii) Faulty installation or

maintenance of data processing equipment or component parts.

- (b) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by the fire or explosion;
  - (c) Erasure of "research and development documentation"; or
  - (d) Unauthorized instructions to transfer property to any person or place.
- (4) Coverage provided by this Extension does not apply to "research and development documentation" which exist as "electronic data".
- (5) We will not pay for loss or damage to "research and development documentation" until you actually replicate such documentation. Repairs or replication must be made as soon as reasonably possible after the loss or damage, but in no event later than two years after the loss or damage unless we grant an extension in writing prior to the expiration of the two-year period.
- (6) We will not pay for loss or damage to "research and development documentation" applicable to:
- (a) Products that are obsolete;
  - (b) Existing products you have withdrawn from the market; or
  - (c) Existing products you have not sold in the last twelve months prior to the loss.
- (7) Regardless of the number of insured locations involved, the most we will pay under this Extension for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- 9. Valuable Papers and Records (Other Than Electronic Data)**
- A. Coverage, Paragraph 5. Coverage Extensions,** subparagraph **c.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**c. Valuable Papers and Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by a Covered Cause of Loss. This Extension includes the cost to research, replace or restore the lost information that previously existed on "valuable papers and records" for which duplicates do not exist.
- (2) The following Exclusions do not apply to this Coverage Extension:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay under this Extension for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**IV. VALUATION**

**A. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph **b.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering;
- (3) Outdoor equipment or furniture; or
- (4) Retaining walls.

**B.** The following is added to **E. Loss Conditions,**

Paragraph 7. **Valuation** of Building and Personal Property Coverage Form CP 00 10:

- f. "Valuable papers and records" at the cost of restoration or replacement, including the cost of data entry, re-programming, computer consultation services and the media on which the data or programs reside. To the extent that the contents of the "valuable papers and records" are not replaced or restored, the "valuable papers and records" will be valued at the cost of blank materials for reproducing the records and the labor to transcribe or copy the records when there is a duplicate.
- g. "Money" at its face value.
- h. "Securities" at their value at the close of business on the day the loss is discovered.
- i. Accounts Receivable:
  - (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - (a) We will determine the total of the average monthly amounts of accounts receivable for the 12 months preceding the month in which loss or damage occurs; and
    - (b) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (a) The amount of the accounts for which there is no loss or damage;
    - (b) The amount of the accounts that you are able to re-establish or collect; an amount to allow for probable bad debts that you are normally unable to collect;
    - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (d) All unearned interest and service charges.
- j. Property "in transit" (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may

have accrued or become legally due since the shipment. If you have no invoice, actual cash value will apply.

- k. "Hardware":
  - (1) "Hardware" that is replaced will be at the cost of replacing the "hardware" with new equipment that is functionally comparable to the "hardware" that is being replaced.
  - (2) "Hardware" that is not replaced will be at actual cash value at the time of loss.
  - (3) In no event will we pay more than the reasonable cost of restoring partially damaged "hardware" to its condition directly prior to the damage.
- l. "Software":
  - (1) "Programs and applications" will be at the cost to reinstall the "programs and applications" from the licensed discs that were originally used to install the programs or applications.  
If the original licensed discs are lost, damaged, or can no longer be obtained, the value of "programs and applications" will be based on the cost of the most current version of the "programs or applications".
  - (2) "Proprietary programs" will be at the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.  
If duplicate copies do not exist, the value of "proprietary programs" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost "proprietary programs".
  - (3) "Electronic data" will be at the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.  
If duplicate copies do not exist, the value of "electronic data" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost files, documents and records.
  - (4) "Media" will be at the cost to repair or replace the "media" with material of the same kind or quality.



**m. "Fine Arts"**

We will pay the lesser of:

- (1) The market value at the time of loss or damage;
- (2) The reasonable cost of repair or restoration to the condition immediately before the covered loss or damage; or
- (3) The cost of replacement with substantially identical property.

For pairs or sets, we will either:

- (a) Repair or replace any part to restore the value and condition of the pair or set to that immediately before the covered loss or damage; or
- (b) Pay the difference between the value of the pair or set before and after the covered loss or damage.

**n. Property of Others** – our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

**o. We may elect to defend you against suits arising from claims of owners or property.** We will do this at our expense.

**p. Labor, materials and services that you furnish or arrange on personal property of others are valued based on the actual cost of the labor, materials and services.**

**q. Finished "stock" you manufactured at the selling price less discounts and expenses you otherwise would have had.**

**r. "Prototypes"**

We will not pay more than the lesser of the following amounts:

- (1) The replacement cost of such property used for the same product, but only if replacement cost is shown as applicable to Personal Property in the Declarations.

However, when replacement with identical property is impossible or unnecessary, the amount of loss will be based on the cost to replace with similar property used to perform the same functions. Property of others will be valued in the same manner, but we

will not pay more than the amount for which you are legally liable; or

- (2) The amount you actually spend to repair or replace lost or damaged "prototypes" used for the same purpose.

**s. "Research and development documentation":**

We will not pay more than the least of the following amounts:

- (1) Your cost actually spent to reproduce lost or damaged "research and development documentation" from back-up files or original source documents;
- (2) The reasonable cost necessary to research, repair, restore, recreate, reconstitute, reproduce or replace "research and development documentation", used for the same product, to their condition immediately before the loss or damage;
- (3) If identical "research and development documentation" cannot be purchased, the cost to purchase such documentation of comparable kind, functionality and quality; or
- (4) The amount you actually spend to research, repair, restore, recreate, reconstitute, reproduce or replace "research and development documentation", used for the same product.

But we will not pay more than the cost to restore "research and development documentation" to its condition immediately prior to the loss.

**V. DEFINITIONS**

The following is added to Paragraph H. of Building and Personal Property Coverage Form CP 00 10:

**H. Definitions**

1. "Antiques" means an object having value because its:
  - a. Craftsmanship is in the style or fashion of former times; and
  - b. Age is 100 years or older.
2. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
3. "Communicable disease" means a bacterial micro-organism transmitted through human contact with food.

4. "Computer equipment" means:

- a. "Hardware" owned by you or in your care, custody or control;
- b. "Software"; or
- c. "Protection and control equipment".

5. "Computer hacking" means an unauthorized intrusion by an individual or group of individuals, whether employed by you or not, into "hardware" or "software", a Web site, or a computer network and that results in but is not limited to:

- a. Deletion, destruction, generation, or modification of "software";
- b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality or performance of "software";
- c. Observation, scanning, or copying of "electronic data", "programs and applications", and "proprietary programs";
- d. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
- e. Denial of access to or denial of services from "hardware", "software", computer network, or Web site including related "software".

6. "Computer Virus" means the introduction into "hardware", "software", computer network, or Web site of any malicious, self-replicating electronic data processing code or other code and that is intended to result in, but is not limited to:

- a. Deletion, destruction, generation, or modification of "software";
- b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
- c. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
- d. Denial of access to or denial of services from "hardware", "software", computer network, or Web site including related "software".

7. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.

8. "Denial of service attack" means the

malicious direction or a high volume of worthless inquiries to Website or e-mail destinations, effectively denying or limiting legitimate access regardless of whether or not damage to "computer equipment" results.

9. "Dependent property" means property operated by others whom you depend on to:

- a. Deliver materials or services to you, or to others for your account. But any property which delivers any of the following services is not a dependent property with respect to such services:

- (1) Water supply services;
- (2) Power supply services; or
- (3) Communication supply services, including services relating to Internet access or access to any electronic network;

- b. Accept your products or services;
- c. Manufacture products for delivery to your customers under contract of sale; or
- d. Attract customers to your business.

10. "Dependent property period of restoration" means the period of time that:

- a. Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
- b. Ends on the date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Dependent property period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- c. Regulates the construction, use or repair, or requires the tearing down, of any property; or
- d. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "dependent property period of restoration".

11. "Discover" or "Discovered" means:



- a. The time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details may not be known.
  - b. "Discover" or "Discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this policy.
12. "Electrical disturbance" means electrical or magnetic damage, disturbance of electronic recordings, or erasure of electronic recordings.
13. "Electronic data" means files, documents, information and "programs and applications" in an electronic format and that are stored on "media".
14. "Electronic vandalism" means "computer hacking", "computer virus" or a "denial of service attack". "Electronic vandalism" does not include the theft of any property or services.
15. "Employee" means:
- a. Any natural person:
    - (1) While in your service and for the first 30 days immediately after termination of service;
    - (2) Who you compensate directly by salary, wages or commissions; and
    - (3) Who you have the right to direct and control while performing services for you;
  - b. Any natural person who is furnished temporarily to you:
    - (1) To substitute for a permanent "employee" as defined in paragraph a.(1), who is on leave; or
    - (2) To meet seasonal or short-term work load conditions;
 while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;
  - c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in paragraph a.(2);
  - d. Any natural person who is:
    - (1) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
    - (2) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";
  - e. Any natural person who is a former "employee", partner, "manager", director or trustee retained as a consultant while performing services for you;
  - f. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody or property outside the described premises;
  - g. Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or
  - h. Any of your "managers", directors or trustees while:
    - (1) Performing acts within the scope of the usual duties of an "employee"; or
    - (2) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.
 "Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 15. of this section.
16. "Employee benefit plan" means any welfare or pension benefit plan shown that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

- 17. "Fine arts"** means paintings, etchings, pictures, tapestries, rare art glass, art glass windows, valuable rugs, statuary, sculptures, "antique" jewelry, bric-a-brac, porcelains and similar property of rarity, historical value or artistic merit.
- 18. "Flood"** means a general and temporary condition of partial or complete inundation of normally dry land areas due to:
- The overflow of inland or tidal waters;
  - The unusual or rapid accumulation of runoff of surface waters from any source; or
  - Mudslides or mudflows which are caused by flooding as defined in **b.** above. For the purpose of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
- 19. "Food contamination"** means an incidence of food poisoning to one or more of your customers as a result of:
- Tainted food you purchased;
  - Food which has been improperly stored, handled or prepared; or
  - A "communicable disease" transmitted through one or more of your "employees".
- 20. "Fraudulent instruction"** means:
- An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
  - A written instruction issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
  - An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent
- 21. "Forgery"** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
- 22. "Funds"** means "money" and "securities".
- 23. "Hardware"** means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results. "Hardware" includes but is not limited to:
- Mainframe and mid-range computers and servers;
  - Personal computers and workstations;
  - Laptops, palmtops, notebook PCs, other portable computer devices and accessories including, but not limited to, multimedia projectors; and
  - Peripheral data processing equipment, including but not limited to, printers, keyboards, monitors, and modems.
- 24. "Installation, tools and equipment property"** means:
- Materials, supplies, machinery, fixtures and equipment that will become a permanent part of your installation while:
    - Located at the site of installation;
    - "In transit" by you to or from the described premises and the job site; or
    - While in temporary storage awaiting installation.
  - Commercial tools and equipment usual to your business and used in your installation which are:
    - Your property; or
    - The property of others in your care, custody or control.

Commercial tools and equipment does not include:

    - Aircraft or watercraft;
    - Any property while waterborne, airborne or underground;
    - Property you have loaned, rented or leased to others;
    - Property that is permanently mounted to a vehicle; or
    - Property held for sale.

25. "In transit" means in the course of shipment from or to the premises shown in the Declarations. It includes such shipments while temporarily stopped or delayed, incidental to the delivery.
26. "Manager" means a person serving in a directorial capacity for a limited liability company.
27. "Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".
28. "Mechanical breakdown" means the malfunction or failure of moving or electronic parts, component failure, faulty installation, or blowout.
29. "Media" means an instrument that is used with "hardware" and on which "electronic data", "programs and applications", and "proprietary programs" can be recorded or stored. "Media" includes, but is not limited to, films, tapes, cards, discs, drums, cartridges, cells, DVDs, or CD-ROMs.
30. "Money" means:
- a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
31. "Occurrence" means all loss or damage that is attributable to:
- a. An act, event, cause or series of similar, related acts, events or causes involving one or more persons; or
  - b. An act, event, cause or series of similar, related acts, events or causes not involving any person.
32. "Operations" means your business activities occurring at the described premises.
33. "Other property" means tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this policy.
34. "Perishable goods" means personal property:
- a. Maintained under controlled temperature or humidity conditions for preservation; and
  - b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.
35. "Power supply disturbance" means interruption of power supply, power surge, blackout, or brownout.
36. "Programs and applications" means operating programs and applications that you purchase and that are:
- a. Stored on "media"; or
  - b. Pre-installed and stored in "hardware".
- Applications includes, but is not limited to, programs for word processing, spreadsheet calculations, and graphic design.
37. "Proprietary programs" means proprietary operating programs and applications that you developed or that you had developed specifically for use in your "operations" and that are:
- a. Stored on "media"; or
  - b. Installed and stored in "hardware".
38. "Protection and control equipment" means:
- a. Air conditioning equipment used exclusively in the operation of the "hardware";
  - b. Fire protection equipment used for the protection of the "hardware", including automatic and manual fire suppression equipment and smoke and heat detectors; and
  - c. Uninterruptible power supply system, line conditioner, and voltage regulator.
39. "Prototype" means an original version of a newly designed product that is an outcome of your "research and development operations". A "prototype" includes sample designs, experimental models or displays that are associated with or integral to the manufacture of the original version of a newly designed product.
40. "Rental value" means Business Income that consists of:
- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that

premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

41. "Research and development documentation" means written evidence of facts, information, processes, concepts or formulas that are directly related to the development of new products or enhancement of existing products. Written evidence includes written papers, plans, manuscripts, written or inscribed documents or plans.

"Research and development documentation" does not include "valuable papers and records", accounts receivable or "media", "software" or "data".

42. "Research and development operations" means your business activities that are directly related to the development of new products or the enhancement of existing products.

43. "Scientific and professional equipment" means medical, engineering, veterinary, measurement, recording, analyzing or similar equipment.

44. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you.

but does not include "money".

45. "Soft cost expenses" means additional:

- a. Realty taxes and other assessments that you incur for the period of time that construction has been extended beyond the projected completion date;
- b. Interest on money borrowed to finance construction, remodeling, renovation or repair; and
- c. Advertising, public relations and

promotional expenses.

46. "Software" means:

- a. "Media";
- b. "Electronic data";
- c. "Programs and applications"; and
- d. "Proprietary programs".

47. "Spoilage" means any detrimental change in physical state of "perishable goods". Detrimental change includes, but is not limited to, thawing of frozen goods, warming of refrigerated goods, solidification of liquid or molten material, chemical reactions to material in process, and reduction in value of time sensitive materials.

48. "Theft" means the unlawful taking of property to the deprivation of the insured.

49. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":

- a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
- b. By means of written instructions establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

50. "Valuable papers and records" means:

- a. Inscribed, printed or written:
  - (1) Documents;
  - (2) Manuscripts; and
  - (3) Records
 including abstracts, books, deeds, drawings, films, maps or mortgages; and
- b. Similar items stored electronically.

But, "valuable papers and records" does not mean "money" or "securities".

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HOSPITALITY PROPERTY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

This endorsement applies only to those locations for which a corresponding premium has been paid.

The following is added to **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10.

The limits applicable to the Coverages included in this endorsement may either be in addition to or included within the applicable Limits of Insurance. For application of the limits, refer to each coverage within this endorsement.

Refer to **SECTION V – DEFINITIONS** of this endorsement for additional words or phrases which appear in quotation marks that have special meaning.

### I. COVERAGES

#### A. Personal Property of Others Included

**A. Coverage**, Paragraph 1. **Covered Property**, subparagraph **c. Personal Property of Others** of Building and Personal Property Coverage Form CP 00 10, is deleted and included as **A. Coverage**, Paragraph 1. **Covered Property**, subparagraph **c.(8)**.

#### B. Scheduled Coverages

The coverages in this endorsement amend the coverage provided under the Building and Personal Property Coverage Form and Causes of Loss – Special Form through new coverages and substitute coverage grants. These coverages are subject to the provisions applicable to this policy, except where amended within this endorsement. If any of the property covered by this endorsement is also covered under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies, in the event of loss or damage, you may choose only one of these coverages to apply to that loss. The most we will pay in this case is the limit of insurance applying to the coverage you select. Coverages included in this endorsement apply either separately to each described premises or on an “occurrence” basis. Refer to each coverage within this endorsement for application of coverage.

	Limits of Insurance	Amended Limits of Insurance	Page
1. Alternative Key Systems	\$100,000		\$ 2
2. Automated External Defibrillators	\$5,000		\$ 2
3. Customer Reimbursement	\$50,000		\$ 2
4. Emergency Evacuation Expense	\$25,000		\$ 3
5. Guests Property	\$25,000		\$ 3
6. Paved Surfaces	\$50,000		\$ 4
7. Reservation Systems (Nonaffiliated) – Worldwide	\$100,000	N/A	4
8. Spoilage			4
On Premises	\$250,000	N/A	
In Transit	\$25,000	N/A	

### II. DEDUCTIBLE

We will not pay for covered loss or damage in any one “occurrence” unless the amount of loss or damage exceeds the deductible amount shown in the Declarations of this Policy. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance for all coverages listed under **SECTION I – COVERAGES**, Paragraph **B. Scheduled Coverages**. No deductible applies to coverages where specifically designated.



### III. COVERED PROPERTY

#### A. Scheduled Coverages

##### 1. Alternative Key Systems

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Alternative Key Systems**

- (1) We will pay for loss or damage to Alternative Key Systems, including card programmers, card readers, transceivers, related alarms, computers, power supplies and any other electronic or mechanical equipment needed to make the card keys work. The loss must be caused by a Covered Cause of Loss and take place at a location described in the Declarations.
- (2) The most we will pay for loss or damage to alternative key systems is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, in any one policy period regardless of the number of claims or number of insured locations involved.
- (3) The amount payable under this Additional Coverage is additional insurance.

##### 2. Automated External Defibrillators

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Automated External Defibrillators**

- (1) In the event of a covered cause of loss, we will pay for direct physical loss to automated defibrillators while at an insured location which are your property or property of others for which you are responsible under written contract existing before loss.
- (2) The most we will pay for loss or damage under this Additional Coverage is \$5,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.

##### 3. Customer Reimbursement

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Customer Reimbursement**

- (1) We will pay your expense to reimburse customers for whom prearranged accommodations at a location listed in the Declarations cannot be honored due to direct physical loss or damage to covered property at a location listed in the Declarations caused by or resulting from a Covered Cause of Loss. Such prearranged accommodations must have been in effect at the time of loss.
- (2) We will reimburse you only for:
  - (a) Reasonable expenses incurred by you to secure other comparable accommodations; and
  - (b) Reasonable extra expenses incurred by those customers described above to travel back and forth from the location listed on the Declarations to the replacement accommodations
- (3) We will reimburse you for the expenses listed above incurred by any customer between the date the customer's prearranged hotel accommodations are scheduled to begin or are interrupted, whichever is later, and the earliest of the following dates:
  - (a) The date the customer's prearranged hotel accommodations at your hotel are scheduled to end; or
  - (b) The date the damaged property at your hotel can be restored to a condition permitting occupancy.
- (4) You must resume all or part of your hotel operations and resume honoring prearranged hotel accommodations at a location listed in the Declarations as soon as possible. If you fail to do so, the amount we pay under this coverage extension will be reduced by the amount that could have been saved.
- (5) Customer reimbursement covered under this Additional Coverage is not "Extra Expense".
- (6) The most we will pay under this Additional Coverage is \$50,000 per



“occurrence” or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, but not more than \$250 for any one guest.

#### 4. Emergency Evacuation Expense

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Emergency Evacuation Expense

- (1) We will pay for the reasonable expenses you incur for the emergency evacuation of your guests from locations scheduled on the policy.
- (2) The Emergency Evacuation must be in response to an imminent danger of injury or loss of life to guests from a covered cause of loss.
- (3) We will not pay for any expenses arising out of:
  - (a) Planned evacuation drills,
  - (b) The evacuation of one or more of the guests due to their medical conditions, or
  - (c) The threat of a named tropical storm or hurricane that does not come within 250 miles of the insured location.
- (4) The most we will pay per insured location in any one “occurrence” under this Additional Coverage, regardless of the number of guests is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (5) The amount payable under this Additional Coverage is additional insurance.
- (6) No deductible applies to this Additional Coverage.

#### 5. Guests Property

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Guests Property

- (1) We will pay for loss of or damage to “guests’ property” for which you are legally liable:
  - (a) While the property is in a safe deposit box inside a building at an insured location; or

- (b) While the property is inside a building at an insured location.

If you are sued for refusing to pay for loss of or damage to “guests’ property” and you have our written consent to defend against the suit, we will pay up to \$5,000 for any reasonable legal expenses that you incur and pay in that defense. The amount we will reimburse for defense of any suit is in addition to the applicable Limit of Insurance shown in the Declarations.

- (2) We will not pay for loss or damage:
  - (a) Resulting from any dishonest or criminal act that you or any of your partners or members commit, whether acting alone or in collusion with other persons.
  - (b) Resulting from liability you assume under any written agreement. However, this exclusion does not apply under Paragraph (1)(b) above to any written agreement entered into with a guest before the “occurrence” of any loss or damage that increases your liability to an amount not exceeding \$1,000 or any lesser amount for which you may otherwise be liable under any statute.
  - (c) To property resulting from fire, however caused
  - (d) Under Paragraph (1)(a) above to property in any wall safe or other container used for safe keeping that is within a guest’s quarters.
  - (e) Under Paragraph (1)(b) above to property resulting from the spilling, upsetting or leaking of any food or liquid.
  - (f) Under Paragraph (1)(b) above to property while in your care and custody for laundering, cleaning or other servicing.
  - (g) Resulting from your release of any other person or organization from legal liability.
  - (h) Under Paragraph (1)(b) above to any vehicle including:
    - (i) It’s equipment or accessories; and

(ii) Any property contained in or on a vehicle

(3) **B. Exclusions, Paragraph 2.h. and C. Limitations, Paragraph 1.e. of Causes of Loss – Special Form CP 10 30** do not apply to this Additional Coverage.

(4) The most we will pay under this Additional Coverage is \$25,000 per “occurrence” or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, but not more than \$1,000 for any one guest.

#### 6. Paved Surfaces

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### Paved Surfaces

(1) You may extend the insurance provided under Building to apply to your paved surfaces, including but not limited to bridges, roadways, and parking lots.

(2) Regardless of the number of described premises involved, the most we will pay for loss or damage in any one “occurrence” at the described premises is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) Payment for loss or damage to this property is included in the applicable Limit of Insurance.

(4) **A. Coverage, Paragraph 2. Property Not Covered**, subparagraph d. of Building and Personal Property Coverage Form CP 00 10, is deleted.

##### (5) Special Paved Surfaces Exclusion

We will not pay for loss or damage caused by freezing or thawing.

#### 7. Reservation Systems (Nonaffiliated) – Worldwide

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### Reservation Systems (Nonaffiliated) – Worldwide

(1) We will pay the actual loss of “business income” or “extra expense” that you sustain due to direct physical loss or damage at the premises of a franchiser, referral system or other

similar service anywhere in the world, except for:

(a) bookings by local travel agencies, upon whom you depend for the booking of reservations, that are not your subsidiaries; or

(b) bookings by referral services owned or leased by you.

(2) The direct physical loss or damage must be caused by or result from a Covered Cause of Loss.

(3) We will use the terms and provisions as set forth under the “Business Income” and “Extra Expense” coverage found elsewhere in this policy to calculate recoverable loss under this coverage. However, this coverage does not include loss for Extended Business Income as set forth therein.

(4) As part of your Duties In the Event of Loss or Damage, you are responsible to research, assess, present and document your claim for any loss presented under this coverage. As part of your documentation, you must include reliable data that permits us to verify your claim.

(5) The most we will pay under this Coverage Extension is \$100,000 in any one policy period. This coverage does not apply separately to each insured location. \$100,000 is the maximum you may collect in any one “occurrence” or policy period regardless of the number of insured locations involved or affected by an “occurrence”.

(6) The amount payable under this Additional Coverage is additional insurance.

#### 8. Spoilage

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### Spoilage

(1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to your “perishable goods” at the described premises; or in a vehicle owned, leased or operated by you while in transit

caused by or resulting from either of the following causes of loss:

**(a)** Breakdown or Contamination, meaning:

**(i)** On premises change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or

**(ii)** Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is in a vehicle owned, leased or operated by you while in "transit"; or

**(iii)** Contamination by the refrigerant.

**(b)** Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

**(2)** Coverage under this Extension does not apply to property located on buildings or in the open.

**(3)** The most we will pay for on premises loss or damage under this Coverage Extension in any one "occurrence" is \$250,000.

**(4)** The most we will pay for loss or damage to your perishable goods while "in transit" under this Coverage Extension is \$25,000 in any one "occurrence".

**(5) Special Spoilage Exclusions**

We will not pay for loss or damage caused by or resulting from:

**(a)** The disconnection of any refrigerating, cooling or humidity control system from the source of power;

**(b)** The deactivation of electrical power caused by the manipulation of any switch or other device used

to control the flow of electrical power or current;

**(c)** The inability of an Electrical Utility Company or other power source to provide sufficient power due to:

**(i)** Lack of fuel; or

**(ii)** Governmental order.

**(d)** The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; or

**(e)** Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit; or

**(f)** The failure to maintain adequate fuel levels for the refrigeration, cooling or humidity control apparatus or equipment in a vehicle; or

**(g)** Your or a service representatives failure to inspect a vehicles' refrigeration, cooling or humidity control apparatus or equipment at least quarterly.

**(6)** Coverage Under this Extension will not apply unless:

**(a)** A record of each inspection of refrigeration, cooling or humidity control apparatus or equipment in a vehicle is retained and maintained for at least 24 consecutive months prior to the date of loss; and

**(b)** You provide us with all records.

**IV. BROADENED VALUATION CLAUSE**

**A. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph **a.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**a.** At replacement cost without deduction for depreciation, except as provided otherwise in this Property Coverage Part.

**(1)** You may claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the date loss or damage.

- (2) We will not pay on a replacement cost basis for any loss or damage:
  - (a) Until the lost or damaged property is actually repaired or replaced; and
  - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- (3) We will not pay more for loss or damage on a replacement cost basis than the least of:
  - (a) The Limit of Insurance applicable to the lost or damaged property;
  - (b) The cost to replace, at the same location, the lost or damaged property with other property:
    - (i) Of comparable material and quality; and
    - (ii) Used for the same purpose; or
  - (c) The amount you actually spend that is necessary to repair or replace the lost or damaged property — even if, when replacement is necessary, you choose to make use of other than new property to effect such replacement.

**B. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph e. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**e. Tenant's Improvements and Betterments** at:

- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
  - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
  - (c) When a written lease does not exist, instead of the method of calculating loss shown in e.(2)(a) and (b) above, we will determine

the proportionate value of the improvements and betterments as follows:

- (i) Multiply the original cost by 365 days; and
- (ii) Divide the amount determined in (a) above by the number of days from the installation of improvements to 365 days after the date of the "occurrence".

- (3) If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in the procedure described in (2) above.

- (4) Nothing, if others pay for repairs or replacement.

**C. The following is added to E. Loss Conditions, Paragraph 7. Valuation** of Building and Personal Property Coverage Form CP 00 10:

**t. The following property at actual cash value:**

- (1) Used or second hand merchandise held in storage or for sale;
- (2) Household contents, except personal property in apartments or rooms furnished by you as landlord;
- (3) Manuscripts;
- (4) Works of art, "antiques" or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; and
- (5) Contractors equipment and tools

**u. Lottery tickets** at their initial cost to you except for winning tickets, at their redeemed present cash value.

**v. Data, media and computer "software" programs.** For media, at the actual costs of repairing or replacing the media with material of like kind and quality. Data and computer "software" programs at the actual cost of reproducing the data or computer "software" program, providing you actually reproduce or replace it.

**w. Prepackaged "software" programs and electronic data processing equipment** that cannot be replaced, at the cost of functionally equivalent "software" or "hardware".

**x. "Business income", "extra expense" and "resumption of operations":**

(1) The amount of "business income" loss will be determined based on:

- (a) The Net Income of the business before the direct physical loss or damage occurred;
- (b) The likely Net Income of the business if no loss or damage had occurred but not including any Net Income that would likely have been earned as a result of an increase in the volume of business conditions due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (d) Other relevant sources of information, including:
  - (i) Your financial records and accounting procedures;
  - (ii) Bills, invoices and other vouchers; and
  - (iii) Deeds, liens or contracts.

(2) The amount of "extra expense" will be determined based on:

- (a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
  - (i) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
  - (ii) Any "extra expense" that is paid for by other insurance,

except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- (b) All necessary expenses that reduce the "business income" loss that otherwise would have been incurred.

### (3) Resumption of Operations

We will reduce the amount of your:

- (a) "Business income" loss, other than "extra expense", to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or "stock") at an insured location or elsewhere.
- (b) "Extra expense" loss to the extent you can return "operations" to normal and discontinue such "extra expense".

If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

## V. DEFINITIONS

The following is added to Paragraph H. of Building and Personal Property Coverage Form CP 00 10:

### H. Definitions

1. "Business income" means:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred; and
  - b. Continuing normal operating expenses incurred, including payroll.
2. "Guests' Property" means "money", "securities" and other property belonging to your guest.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **NEW YORK CHANGES TO PROPERTY BROADENING ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BRONZE PROPERTY BROADENING ENDORSEMENT  
SILVER PROPERTY BROADENING ENDORSEMENT  
GOLD PROPERTY BROADENING ENDORSEMENT  
PLATINUM PROPERTY BROADENING ENDORSEMENT  
CONDOMINIUM PROPERTY BROADENING ENDORSEMENT

**SECTION III – COVERED PROPERTY**, Paragraph **A. Scheduled Coverages**, subparagraph **39. Rewards – Arson, Theft, Vandalism** of Bronze Property Broadening Endorsement, subparagraph **43. Rewards – Arson, Theft, Vandalism** of Silver/Gold/Platinum Property Broadening Endorsement and subparagraph **48. Rewards – Arson, Theft, Vandalism** of Condominium Property Broadening Endorsement is deleted in its entirety.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



## IMPORTANT NOTICE TO POLICYHOLDERS

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**THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT A CHANGE IN COVERAGE. PLEASE READ THE ENTIRE NOTICE.**

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The material is organized by coverage form and endorsements; however, not all coverages, coverage forms or endorsements are included on a particular policy. Please read your policy language carefully.

### **Expiring & Replacement Forms List:**

Current Form Title	Current Form Number	Current Ed. Date	New Form	New Form Number	New Ed. Date
HOSPITALITY PROPERTY BROADENING ENDORSEMENT	411-0579	07 07	GOLD PROPERTY BROADENING ENDORSEMENT	411-0793	04 14
HOSPITALITY PROPERTY BROADENING ENDORSEMENT	411-0579	07 07	HOSPITALITY PROPERTY BROADENING ENDORSEMENT	411-0801	04 14

The significant changes that broaden, reduce or clarify coverage are outlined below. Please review the changes carefully.

### **A. Changes Which Broaden Coverage**

- ***Additional Coverages***
  - Adds coverage for Automated External Defibrillators
  - Adds coverage for Catastrophe Allowance
  - Adds coverage for Computer and Funds Transfer Fraud
  - Adds coverage for Deferred Payments
  - Adds coverage for Denial of Access to Premises
  - Adds coverage for E-Commerce
  - Adds coverage for Expediting Expenses
  - Adds coverage for Food Contamination Including Advertising Expense
  - Adds coverage for International Air Shipments
  - Adds coverage for Inventory and Loss Appraisal
  - Adds coverage for Key Replacement and Lock Repair
  - Adds coverage for Leasehold Interest Tenants
  - Adds coverage for Lease Cancellation
  - Adds coverage for Money Orders and Counterfeit Money

- Adds coverage for Preservation of Property Expense
- Adds coverage for Prototypes
- Adds coverage for Research and Development Documentation
- Adds coverage for Soft Costs
- Adds coverage for Spoilage
- Adds coverage for Temporary Relocation of Property
- Adds coverage for Tenant Relocation
- Adds coverage for Transit Business Income and Extra Expense
- Adds Coverage for Undamaged Tenants Improvements and Betterments
- Adds Coverage for Underground Water Seepage
- Adds Coverage for Unintentional Property Reporting Errors
- Adds Coverage for Unnamed Locations
- Adds Coverage for Voluntary Parting
- Adds Coverage for Windblown Debris
- **Increased Limits of Insurance:**
  - Contract Penalties Limit of Insurance has increased from \$25,000 to \$50,000
  - Debris Removal Limit of Insurance has increased from \$25,000 to \$250,000
  - Electronic Data Processing is now included in the Limit of Insurance for Business Personal Property
  - Employee Theft and ERISA Compliance Limit of Insurance has increased from \$50,000 to \$100,000
  - Employee Tool and Work Clothing Limit of Insurance has Increased from \$10,000 to \$25,000
  - Extended Business Income Increased from 90 to 180 Days.
  - Extended Coverage on Property has increased from 1000ft to 2000ft.
  - Extra Expense Limit of Insurance increased from \$250,000 in Blanket Limit of Insurance to \$300,000.
  - Foundations and Underground Pipes is now included in the Limit of Insurance for Building.
  - Newly Acquired Locations Building Limit of Insurance has increased from \$1,000,000 to \$2,000,000.
  - Newly Acquired Locations Business Personal Property Limit of Insurance has increased from \$500,000 to \$1,000,000.
  - Ordinance or Law Limit of Insurance has increased from \$100,000 to \$500,000
  - Pollutant Cleanup and Removal Limit of Insurance has increased from \$50,000 to \$100,000
  - Property in Transit Limit of Insurance has increased from \$50,000 to \$100,000
  - Property Off Premises Limit of Insurance has increased from \$100,000 to \$150,000
  - Rewards – Arson, Theft, Vandalism Limit of Insurance has increased from \$30,000 to \$75,000
  - Sewer Backup Limit of Insurance is now included in the Limit of Insurance for Building.
  - Tenant Glass Limit of Insurance has increased from \$10,000 to \$15,000
  - Underground Water Seepage Limit of Insurance has increased from \$25,000 to \$50,000
  - Utility Services Direct Damage Limit of Insurance has increased from \$50,000 to \$100,000
  - Utility Services Business Income Limit of Insurance has increased from \$50,000 to \$100,000
  - Water Damage, Other Liquids, Powder or Molten Material Damage Limit of Insurance has increased from \$25,000 to \$50,000
  - Worldwide Property Off Premises Limit of Insurance has increased from \$45,000 to \$75,000

## **B. Changes Which Reduce Coverage**

- **Removal of Coverages:**
  - Removed coverage for Business Income

- Removed coverage for Change in Temperature, Electrical Injury and Contamination by Refrigerant
- **Limits of Insurance:**
  - Business Income and Extra Expense from Dependent Properties Limit of Insurance has decreased from \$100,000 to \$50,000.
  -

**C. Changes Which Clarify Coverage**

- **Coverage Language:**
  - Claims Expense Coverage has been replaced by Inventory and Loss Appraisal
  - Lost Key Coverage has been replaced by Key Replacement and Lock Repair.
- **Deductible:**
  - The endorsement deductible now follows the policy deductible shown in the Declarations of the policy.

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### **Expiring & Replacement Forms List:**

Current Form Title	Current Form Number	Current Ed. Date	New Form	New Form Number	New Ed. Date
ADVANTAGE CHOICE PROPERTY BROADENING ENDORSEMENT	411-0660	12 09	GOLD PROPERTY BROADENING ENDORSEMENT	411-0793	04 14

The significant changes that broaden, reduce or clarify coverage are outlined below. Please review the changes carefully.

### **A. Changes Which Broaden Coverage**

- ***Additional Coverages***
  - Adds coverage for Computer and Funds Transfer Fraud
  - Adds coverage for Employee Tools and Work Clothing
  - Adds Coverage for International Air Shipments
  - Adds Coverage for Leasehold Interest Tenants
  - Adds Coverage for Non-Owned Detached Trailers
  - Adds Coverage for Tenant Glass
  - Adds Coverage for Theft Damage for Buildings
  - Adds Coverage for Undamaged Tenants Improvements and Betterments
  - Adds Coverage for Underground Water Seepage
  - Adds Coverage for Unintentional Property Reporting Errors
  - Adds Coverage for Unnamed Locations
  - Adds Coverage for Voluntary Parting
  - Adds Coverage for Water Damage, Other Liquids, Powder or Molten Material Damage
  - Adds Coverage for Worldwide Property Off Premises
  - Adds Coverage for Movement of Property
- ***Increased Limits of Insurance:***

- Business Income and Extra Expense from Dependent Properties Limit of Insurance has increased from \$100,000 to \$150,000.
- Consequential Loss to Stock is now included in the limit of insurance for Business Personal Property
- Debris Removal Limit of Insurance has increased from \$50,000 to \$100,000
- Electronic Data Processing is now included in the limit of insurance for Business Personal Property
- Employee Theft and ERISA Compliance Limit of Insurance has increased from \$25,000 to \$100,000
- Extended Business Income Increased from 90 to 180 Days.
- Extended Coverage on Property has increased from 1000ft to 2000ft.
- Extra Expense Limit of Insurance increased from \$100,000 to \$300,000.
- Fire Protection Equipment Recharge is now included in the limit of insurance for Business Personal Property
- Forgery or Alteration Limit of Insurance has increased from \$25,000 to \$30,000
- Foundations and Underground Pipes is now included in the Limit of Insurance for Building.
- Inventory and Loss Appraisal Limit of Insurance has increased from \$50,000 to \$250,000
- Key Replacement and Lock Repair Limit of Insurance has increased from \$10,000 to \$20,000
- Lease Cancellation Coverage Limit of Insurance has increased from \$25,000 to \$50,000
- Newly Acquired Locations Business Income Limit of Insurance has increased from \$100,000 to \$250,000.
- Property in Transit Limit of Insurance has increased from \$50,000 to \$100,000
- Property Off Premises Limit of Insurance has increased from \$50,000 to \$150,000
- Rewards – Arson, Theft, Vandalism Limit of Insurance has increased from \$50,000 to \$75,000
- Tenant Relocation Limit of Insurance has increased from \$25,000 to \$50,000
- Transit Business Income and Extra Expense Limit of Insurance has increased from \$25,000 to \$75,000
- Utility Services Direct Damage Limit of Insurance has increased from \$10,000 to \$100,000
- Utility Services Business Income Limit of Insurance has increased from \$10,000 to \$100,000
- Windblown Debris Limit of Insurance has increased from \$2,500 to \$5,000
- Precious and Semi-Precious alloys, stones, bullion, gold, silver, platinum Limit of Insurance has increased from \$25,000 to \$35,000.

#### **B. Changes Which Clarify Coverage**

- ***Deductible:***

- The endorsement deductible now follows the policy deductible shown in the Declarations of the policy.

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### COVERAGE FORMS, CAUSES OF LOSS FORMS AND RELATED ENDORSEMENTS

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#### 1. Broadenings In Coverage

- **Debris Removal (CP 00 10, CP 00 17, CP 00 18, CP 00 20, CP 00 80, CP 00 99)**

The additional Limit of Insurance for debris removal expense is increased from \$10,000 to \$25,000. (That additional limit may apply when basic coverage for debris removal expense is exhausted or inapplicable.)

Further, coverage for debris removal is expanded to include the expense of removing debris of certain property of others. The total expense for all debris removal is subject to the limitations stated in the policy concerning amount of coverage, including the aforementioned additional Limit of Insurance. However, when no Covered Property sustains direct physical loss or damage, coverage for the removal of debris of others' property is limited to \$5,000.

The Outdoor Property Coverage Extension is revised to include debris removal expense for trees, shrubs and plants that are the property of others, except trees, shrubs and plants owned by the landlord of an insured tenant.

Related change: Debris Removal Additional Insurance Endorsement **CP 04 15** makes reference to the policy's aforementioned limit of \$25,000.

- **Extended Business Income, Extended Period Of Indemnity (CP 00 30, CP 00 32)**

The number of days' coverage under the Extended Business Income provision is increased from 30 to 60 days. Accordingly, the Extended Period Of Indemnity option, if applicable, is revised to begin after 60 days.

- **Coverage Radius For Business Personal Property And Personal Property Of Others (CP 00 10, CP 00 18, CP 00 99, CP 17 98)**

These forms are revised to extend coverage for business personal property and personal property of others to such property when located within 100 feet of the building or 100 feet of the described premises, whichever distance is greater.

- **Property In Storage Units (CP 00 10, CP 00 17, CP 00 18, CP 00 99)**

A Coverage Extension for Business Personal Property Temporarily In Portable Storage Units is introduced. Under this Coverage Extension, a 90-day coverage period is provided for business personal property temporarily stored in a portable storage unit located within 100 feet of the described premises, subject to a sub-limit of \$10,000 regardless of the number of storage units.



- **Entrusted Property (CP 10 30)**

In the Causes Of Loss – Special Form **CP 10 30**, the exclusion of dishonest or criminal acts is revised to distinguish between those who have a role in the insured's business (partners, managers, employees, etc.) and others to whom property may be entrusted (a category that includes tenants and bailees, for example). With respect to the latter category, the exclusion is narrowed to apply only to theft. Further, the exception to the exclusion (which enables coverage for acts of destruction) is revised to extend applicability to authorized representatives.

- **Vegetated Roofs (CP 00 10, CP 00 17, CP 00 20, CP 00 70, CP 00 99, CP 10 10, CP 10 20, CP 10 30, CP 11 99)**

Property Not Covered is revised to make an exception for lawns, trees, shrubs and plants which are part of a vegetated roof, thereby treating such property as an insured part of the building, so that an existing vegetative roof can be replaced with like kind in the event of a loss, subject to policy terms and certain limitations. Accordingly, lawns, trees, shrubs and plants which are part of a vegetated roof are no longer covered under the more limited Outdoor Property Coverage Extension.

- **Electronic Data In Building Equipment (CP 00 10, CP 00 17, CP 00 18, CP 00 30, CP 00 32, CP 00 40, CP 00 50, CP 00 70, CP 00 99)**

The property damage and related Coverage Forms (**CP 00 10, CP 00 17, CP 00 18, CP 00 40, CP 00 70, CP 00 99**) are revised to remove the \$2,500 limitation on electronic data with respect to loss or damage to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system. Coverage for such electronic data will be considered part of the coverage on the building. Further, under property damage forms, the \$2,500 limitation will no longer apply to stock of prepackaged software. Coverage for prepackaged software will be subject to the Limit of Insurance otherwise applicable to such personal property.

The business interruption Coverage Forms (**CP 00 30, CP 00 32, CP 00 50**) are revised so that the \$2,500 limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system. A business interruption caused by loss or damage to such electronic data will be subject to the coverage otherwise applicable to a covered business interruption.

- **Specified Causes Of Loss – Water Damage (CP 10 30)**

Coverage for water damage under the definition of "specified causes of loss" is expanded to include accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of certain off-premises systems due to wear and tear.

## 2. Reduction Of Coverage

- **Newly Acquired Property (CP 00 10, CP 00 17, CP 00 18, CP 00 99, CP 17 98)**

Under the Newly Acquired Property Extension, the provision which extends an additional Limit of Insurance to newly acquired business personal property at the described premises is removed. There is no change to the coverage for newly acquired business personal property at newly acquired locations or at newly constructed or acquired buildings at the described location.

## 3. Other Changes

- **Earth Movement (CP 00 70, CP 00 99, CP 10 10, CP 10 20, CP 10 30)**

The Earth Movement Exclusion now makes explicit reference to earth movement caused by an act of nature or otherwise caused. In addition, the term earthquake now incorporates tremors and aftershocks.

With respect to coverage for Volcanic Action (which is a limited exception to the exclusion of volcanic eruption), all such eruptions that occur within any 168-hour period constitute a single occurrence.

- **Fire Department Service Charge (CP 00 10, CP 00 17, CP 00 18, CP 00 20, CP 00 80, CP 00 99)**

The Fire Department Service Charge Coverage is revised to specify that the amount of such coverage (\$1,000 or a designated higher limit) applies to each premises described in the Declarations. Further, the language of the coverage provision is revised to make it explicit that the designated limit applies regardless of the number of responders or the number or type of services performed.

- **Business Personal Property And Personal Property Of Others In Described Structures (CP 00 10, CP 00 17, CP 00 18, CP 00 99, CP 17 98, CP 17 99)**

The coverage provisions for Your Business Personal Property and Personal Property Of Others are revised to make it explicit that such property is covered when located in the building or structure described in the Declarations.

- **Coverage Radius With Respect To Business Interruption (CP 00 30, CP 00 32, CP 00 50)**

In part, the coverage criteria for business interruption coverage relate to loss or damage to personal property in the open or in a vehicle within a certain distance from the described premises. The language relating to the coverage radius is revised to achieve more similarity between the radius outlined for insureds who are occupants of the entire premises and those who occupy only a part of the premises, and to use terminology similar to that used in property damage forms.

- **Water Exclusion (CP 00 70, CP 00 99, CP 10 10, CP 10 20, CP 10 30)**

The Water Exclusion provided by Endorsement **CP 10 32** is incorporated into the aforementioned forms. As a result, Endorsement **CP 10 32** is no longer added to the policy.

- **Ordinance Or Law Exclusion (CP 00 10, CP 00 17, CP 00 18, CP 00 20, CP 00 30, CP 00 32, CP 00 50, CP 00 70, CP 00 80, CP 00 99, CP 10 10, CP 10 20, CP 10 30)**

The language of the Ordinance Or Law Exclusion, which relates to enforcement of an ordinance or law, is revised to also refer to compliance with an ordinance or law.

Similar references are revised in the policy's Increased Cost Of Construction (ICC) Additional Coverage, Loss Payment and Valuation Conditions, and Replacement Cost Optional Coverage, and in the Period of Restoration definition in the business interruption forms. Further, the ICC coverage grant is revised to explicitly refer to compliance with the minimum standards of an ordinance or law.

- **Risk Of Loss (CP 00 70, CP 10 30)**

The term "risk of" is removed from the provisions related to insured perils in the Mortgageholders Errors And Omissions Coverage Form **CP 00 70** and the Causes Of Loss – Special Form **CP 10 30**.

- **Miscellaneous Changes**

Editorial changes were made to various forms. The revisions are summarized below:

- Condominium Association Coverage Form **CP 00 17** is revised to include a definition of "stock", which is "merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping".
- Standard Property Policy **CP 00 99** is revised to replace the term "Coverage" with the term "policy" in the Concealment, Misrepresentation Or Fraud Additional Condition.
- Causes Of Loss – Basic Form **CP 10 10** and Causes Of Loss – Broad Form **CP 10 20** are revised to specify that words and phrases which appear in quotation marks have special meaning and to refer to the Definitions section.

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## OTHER ENDORSEMENTS

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### 1. Broadenings In Coverage

- **Increase In Rebuilding Expenses Following Disaster (Additional Expense Coverage On Annual Aggregate Basis) Endorsement CP 04 09**

This new endorsement provides limited coverage for the situation in which the cost of repair/replacement of property exceeds the Limit of Insurance due to increases in the cost of labor and/or materials following a disaster.

- **Dependent Properties – Business Interruption (CP 15 01, CP 15 02, CP 15 08, CP 15 09, CP 15 34)**

Under the following revised endorsements, secondary contributing locations and secondary recipient locations are covered if so indicated in the Schedule of the endorsement. Such locations are defined in the endorsement.

- **CP 15 01** – Business Income From Dependent Properties – Limited International Coverage
- **CP 15 02** – Extra Expense From Dependent Properties – Limited International Coverage

- **CP 15 08** – Business Income From Dependent Properties – Broad Form
- **CP 15 09** – Business Income From Dependent Properties – Limited Form
- **CP 15 34** – Extra Expense From Dependent Properties

- **Flood Coverage Endorsement CP 10 65**

Under the Flood Coverage Endorsement, there is no coverage for loss resulting from a flood which begins before or within 72 hours after the inception date of the endorsement. This endorsement is revised to provide that the aforementioned 72-hour waiting period will not apply when the prior policy included flood coverage and the policy periods are consecutive without a break in coverage. Further, the similar 72-hour waiting period for an increase in the Limit of Insurance will not apply to an increase executed at the time of renewal.

Also, this endorsement is revised to add drains and sumps to the provision which covers back-up and overflow from a sewer when such discharge occurs within 72 hours after a flood recedes.

- **Discharge From Sewer, Drain Or Sump (Not Flood-related) Endorsement CP 10 38**

This new endorsement covers discharge of water or waterborne material from a sewer, drain or sump located on the described premises.

- **Theft Of Building Materials And Supplies (Other Than Builders Risk) Endorsement CP 10 44**

This new endorsement extends coverage to encompass theft of building materials and supplies that are located on or within 100 feet of the premises when such property is intended to become a permanent part of the building or structure.

- **Condominium Commercial Unit-owners Optional Coverages Endorsement CP 04 18**

This endorsement is revised to provide the means for selecting a limitation (sub-limit) over \$1,000 for assessments that result from a deductible in the insurance purchased by the condominium association. Coverage is broadened if a sub-limit over \$1,000 is entered in the Schedule of the endorsement.

- **Utility Services – Time Element Endorsement CP 15 45**

This endorsement is revised to provide the means to select a new category of utility service: wastewater removal property. With respect to the coverage provided under this endorsement, wastewater removal property is a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water.

- **Food Contamination (Business Interruption And Extra Expense) Endorsement CP 15 05**

This new endorsement covers certain extra expenses and business income losses arising out of food contamination. Separate limits apply to advertising expense and all other coverages under the endorsement. These limits apply on an annual aggregate basis.

- **Specified Property Away From Premises Endorsement CP 04 04**

This new endorsement provides coverage for business personal property temporarily away from the described premises in the course of daily business activities, while in the care, custody or control of the insured or an employee of the insured.

- **Equipment Breakdown Cause Of Loss Endorsement CP 10 46**

This new endorsement may be combined with the Special Form to add equipment breakdown as a Covered Cause of Loss.

## **2. Reduction Of Coverage**

- **Deductibles By Location Endorsement CP 03 29**

This new endorsement provides for selected deductibles to apply at each designated building or designated location that has sustained loss or damage. Thus, under this endorsement, multiple deductibles would apply in the event of an occurrence that affects multiple buildings or locations. Under the prior policy, the applicable deductible applied once per occurrence regardless of the number of buildings or locations involved in the loss occurrence (except with respect to special deductibles such as wind or earthquake percentage deductibles, if any).

- **Limitations On Coverage For Roof Surfacing Endorsement CP 10 36**

This new endorsement includes provisions for covering roof surfacing at actual cash value on a building otherwise subject to replacement cost valuation, and for excluding cosmetic damage by wind to roof surfacing. One or both of these limitations may be indicated on the Schedule of the endorsement.

### 3. Other Changes

- **Business Income Report/Worksheet CP 15 15**

This endorsement is revised to recognize that the revised policy now provides 60 days of Extended Business Income Coverage.

- **Outdoor Trees, Shrubs And Plants Endorsement CP 14 30**

This endorsement is revised to specify that the applicable Limit of Insurance for loss or damage to outdoor trees, shrubs and plants includes debris removal expense. Accordingly, the endorsement states that the Outdoor Property Coverage Extension and Debris Removal Additional Coverage do not apply to property covered under **CP 14 30**; such provision avoids duplication of coverage.

- **Flood Coverage Schedule CP DS 65**

The Flood Coverage Schedule is revised so that the Underlying Insurance Waiver can be made applicable by location. The Underlying Insurance Waiver is a provision in Flood Coverage Endorsement **CP 10 65**; the waiver applies to a location only if so indicated in the Flood Coverage Schedule.

- **Exclusion Of Loss Due To By-products Of Production Or Processing Operations (Rental Properties) Endorsement CP 10 34**

This new endorsement, which applies to policies issued to owners and tenants of rental premises, reinforces that property damage and business interruption coverages do not apply to loss or damage to the described premises caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at the rental units identified in the Schedule of the endorsement. But loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation is not excluded.

- **Radio Or Television Antennas – Business Income Or Extra Expense Endorsement CP 15 50**

In the list of forms to which **CP 15 50** applies, reference to the Earthquake Form is removed. Since earthquake coverage is now provided by endorsing the Causes Of Loss Form (Basic, Broad or Special), it is no longer necessary for **CP 15 50** to include reference to the Earthquake Form.

- **Utility Services – Overhead Transmission Lines (CP 04 17, CP 15 45)**

Endorsements **CP 04 17** Utility Services – Direct Damage and **CP 15 45** Utility Services – Time Element are revised to make it explicit that transmission lines include all lines which serve in the transmission of power or communication service, including lines which may be identified as distribution lines.

- **Ordinance Or Law Coverage (CP 04 05, CP 04 38, CP 15 25, CP 15 31)**

The coverage grant of Endorsement **CP 04 05** Ordinance Or Law Coverage is revised to remove reference to enforcement of an ordinance or law, in favor of referring to a requirement to comply with an ordinance or law. The same revision is made to Endorsement **CP 04 38** Functional Building Valuation, which incorporates ordinance or law coverage. In addition, references are added to compliance with an ordinance or law in Endorsements **CP 15 25** Business Income Changes – Educational Institutions (in the Period of Restoration definition) and **CP 15 31** Ordinance Or Law – Increased Period Of Restoration.

- **Higher Limits Endorsement CP 04 08**

This new endorsement increases certain specified dollar limitations.

- **Building Glass – Tenant's Policy Endorsement CP 14 70**

This endorsement is revised to add a line item for a deductible in the Schedule of the endorsement. A deductible will apply to building glass coverage only if a deductible amount is entered in the Schedule.

- **Theft Exclusion Endorsement CP 10 33**

This endorsement is revised to include a Schedule to facilitate display of the location(s) to which the exclusion applies.

- **Dependent Properties – Business Interruption (CP 15 01, CP 15 02, CP 15 08, CP 15 09, CP 15 34)**

The definition of dependent property excludes various utility providers; the list of utilities is updated to make reference to wastewater removal services. With respect to business interruption coverage, loss caused by interruption in utility service is addressed in Endorsement **CP 15 45**. Refer to the item titled Utility Services – Time Element Endorsement **CP 15 45**.

- **Payroll Limitation Or Exclusion Endorsement CP 15 10**

This endorsement is revised to provide the means to limit or exclude coverage for the payroll expense of any category of employee or individual employee. Since applicability of the endorsement will no longer be restricted to nonmanagerial employees, the term "ordinary payroll expense" and its definition are removed from the endorsement. In addition, the title of the endorsement is revised to remove the word "Ordinary".

- **Earthquake Sprinkler Leakage Deductible**

**CP 10 40** Earthquake And Volcanic Eruption Endorsement and **CP 10 45** Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form) are revised to specify that the Earthquake percentage deductible does not apply when Earthquake Coverage is limited only to Earthquake Sprinkler Leakage (EQSL) Coverage. Instead, the deductible for Fire Coverage applies to EQSL Coverage.

- **Protective Safeguards**

Endorsement **CP 04 11** Protective Safeguards replaces **IL 04 15** Protective Safeguards. The new endorsement contains the same provisions as **IL 04 15** and adds a symbol and description to recognize hood-and-duct fire extinguishing systems.

- **Builders Risk – Theft Of Building Materials, Fixtures, Machinery, Equipment Endorsement CP 11 21**

The exclusion of dishonest or criminal acts is revised to add reference to members, officers, managers, temporary employees and leased workers.

- **Increased Cost Of Loss And Related Expenses For Green Upgrades Endorsement CP 04 02**

The Schedule of this endorsement is revised to facilitate identification of personal property (when not all personal property is to be covered for Green Upgrades) and to facilitate the entry of different percentage selections for the building and personal property.

Subparagraphs **A.1.a.** and **A.1.b.** are revised to simplify the calculation described therein, with no change in the outcome. Subparagraph **A.1.d.** is added to explicitly address the situation in which the property loss is less than the deductible.

The provisions of former Paragraph **A.9.**, concerning vegetated roofs, are incorporated into the underlying policy forms, as discussed in the item titled Vegetated Roofs.

- **Windstorm Or Hail Percentage Deductible Endorsement CP 03 21**

Paragraph **D.1.** of this endorsement is editorially revised.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EQUIPMENT BREAKDOWN COVERAGE**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART**

- A.** The following is added as an Additional Coverage to the **Causes of Loss – Basic Form, Broad Form or Special Form**.

#### **Additional Coverage- Equipment Breakdown**

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident". As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:
  - a. mechanical breakdown, including rupture or bursting caused by centrifugal force;
  - b. artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
  - c. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
  - d. loss or damage to steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
  - e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of an "accident." These coverages do not

provide additional amounts of insurance.

#### **a. Expediting Expenses**

With respect to your Covered Property, we will pay up to \$100,000 unless otherwise shown in a Schedule, the reasonable extra cost to:

- (1) make temporary repairs; and
- (2) expedite permanent repairs or permanent replacement.

#### **b. Hazardous Substances**

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property. This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.c.(1)(b)** below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in a Schedule.



**c. Spoilage****(1)** We will pay for:

- (a)** physical damage to "perishable goods" due to spoilage;
- (b)** physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c)** any necessary expenses you incur to reduce the amount of loss under this coverage to the extent they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2)** If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident," less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is \$100,000 unless otherwise shown in a Schedule.

**d. Data Restoration**

We will pay for your reasonable and necessary cost to research, replace and restore lost "data."

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in a Schedule.

**e. Service Interruption**

- (1)** Any insurance provided for Business Income, Extra Expense or Spoilage is

extended to apply to your loss, damage or expense caused by an "accident" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

- (2)** Unless otherwise shown in a Schedule, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident".

- (3)** The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

**f. Business Income and Extra Expense**

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, unless otherwise shown in a Schedule.

**g. Mold**

- (1) The coverage described below applies only if all reasonable means were used to save and preserve the property from further damage at the time of and after the "accident."
- (2) We will pay for loss, damage or expense caused by "mold," only when "mold" is the direct result of an "accident" that occurs during the policy period. As used in this coverage, the term loss or damage means:
  - (a) Direct physical loss or damage to Covered Property caused by "mold" including the cost of removal of the "mold";
  - (b) The cost to tear out and replace any Covered Property as needed to gain access to the "mold"; and
  - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "mold" is present.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss, damage or expense arising out of all "accidents" to "covered equipment" which take place within the 12-month

period (starting with the beginning of the present annual policy period). With respect to a particular "accident" which results in "mold", we will not pay more than a total of \$15,000 even if the "mold" continues to be present or active, or recurs, in a later policy period.

**3. EXCLUSIONS**

All exclusions in the Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

a. The exclusions are modified as follows:

- (1) If the Causes of Loss- Basic Form or Causes of Loss- Broad Form applies, the following is added to **Exclusion B.2.:** Depletion, deterioration, corrosion, erosion, wear and tear or other gradually developing conditions. But if an "accident" results, we will pay for resulting loss, damage or expense.
- (2) The following is added to **Exclusion B.1.g.:** However, if electrical "covered equipment" requires drying out because of Water as described in **g.(1)** through **g.(3)** above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.
- (3) If the Causes of Loss- Special Form applies, as respects this endorsement only, the last paragraph of **Exclusion B.2.d.** is deleted and replaced with the following:  
But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an

- “accident”, we will pay for the loss, damage or expense caused by that “accident”.
- b. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:
- (1) Your failure to use all reasonable means to protect Covered Property from damage following an “accident”;
  - (2) any defect, programming error, programming limitation, computer virus, malicious code, loss of “data,” loss of access, loss of use, loss of functionality or other condition within or involving “data” or “media” of any kind. But if an “accident” results, we will pay for the resulting loss, damage or expense; or
  - (3) any of the following tests:
    - (a) a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
    - (b) an electrical insulation breakdown test of any type of electrical equipment.
- c. With respect to Service Interruption coverage, we will also not pay for an “accident” caused by or resulting from: fire; lightning; windstorm; or hail; explosion (except as specifically provided in **A.1.c.** above); smoke, aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
- d. With respect to Business Income Extra Expense and Service Interruption coverages, we will also not pay for:
- (1) Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
- (2) Any increase in loss resulting from an agreement between you and your customer or supplier.
- e. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an “accident”: The presence, growth, proliferation, spread or activity of “mold.” This includes, but is not limited to, costs arising from clean up, removal, or abatement of such “mold.” However, if “mold” results in an “accident”, we will pay the resulting loss, damage or expense caused by that “accident.” This exclusion does not apply:
- (1) to spoilage of personal property that is “perishable goods,” to the extent that spoilage is covered under Spoilage coverage; or
  - (2) to the extent that coverage is provided under Mold coverage.
- f. We will not pay under this endorsement for any loss or damage to animals, land (including land on which the property is located) or lawns.
- 4. DEFINITIONS**
- The following definitions are added:
- a. “Boilers and vessels” means:
- (1) Any boiler including attached steam, condensate and feedwater piping; and
  - (2) Any fired or unfired pressure vessel subject to a vacuum or internal pressure other than the static pressure of its contents.
- This term does not appear elsewhere in this endorsement, but may appear in a Schedule.
- b. “Covered Equipment”
- (1) “Covered Equipment” means, unless specified in a Schedule, Covered Property:
    - (a) that generates, transmits or utilizes

- energy, including electronic communications and data processing equipment; or
  - (b) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
  - (2) None of the following is "Covered Equipment":
    - (a) structure, foundation, cabinet, compartment or air supported structure or building;
    - (b) insulation or refractory material;
    - (c) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
    - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming as part of a refrigerating or air conditioning system;
    - (e) "vehicle" or any equipment mounted on a "vehicle";
    - (f) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
    - (g) dragline, excavation or construction equipment; or
    - (h) equipment manufactured by you for sale.
  - c. "Data" means information or instructions stored in digital code capable of being processed by machinery.
  - d. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
  - e. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
  - f. "Mold" means any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast.
  - g. "One accident" means: if an initial "accident" causes other "accidents", all will be considered "one accident". All "accidents" that are the result of the same event will be considered "one accident".
  - h. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
  - i. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston. This term does not appear elsewhere in this endorsement, but may appear in a Schedule.
  - j. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".
- B. The Building and Personal Property Coverage Form is modified as follows. The definitions stated above apply to Section B. of this endorsement.**
- 1. DEDUCTIBLE**
- The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a Schedule. If a separate

Equipment Breakdown Deductible is shown, the following applies:  
Only as regards Equipment Breakdown Coverage, provision **D.**, **DEDUCTIBLE** is deleted and replaced with the following:

**a. Deductibles for Each Coverage**

- (1) Unless the Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident".
- (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident", only the highest deductible for each coverage will apply.

**b. Direct and Indirect Coverages**

- (1) Direct Coverages  
Deductibles and Indirect Coverage Deductibles may be indicated in the Schedule.
- (2) Unless more specifically indicated in the Schedule:
  - (a) Indirect Coverages  
Deductibles apply to Business Income and Extra Expense loss; and
  - (b) Direct Coverages  
Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

**c. Application of Deductibles**

- (1) **Dollar Deductibles**  
We will not pay for loss, damage or expense

resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

**(2) Time Deductible**

If a time deductible is shown in the Schedule, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

**(3) Multiple of Average Daily Value (ADV)**

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:  
The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location

is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the period of restoration. The number indicated in the Schedule will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

**(4) Percentage of Loss Deductibles**

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

**2. CONDITIONS**

The following conditions are in addition to the **Conditions** in the Building and Personal Property Coverage Form and the Common Policy Conditions.

**a. Suspension**

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to the "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be

reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

**b. Jurisdictional Inspections**

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

**c. Environmental, Safety and Efficiency Improvements**

If "covered equipment" requires replacement due to an "accident", we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced. However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

**d. Coinsurance**

If a coinsurance percentage is shown in a Schedule for specified coverages, the following condition applies:

- (1) We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable



limit and apply that percentage to the gross amount of the loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss.

Coinsurance applies separately to each insured location.

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in a Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES**

This endorsement modifies insurance provided under the following:

### **EQUIPMENT BREAKDOWN COVERAGE**

- A. Additional Coverage Mold A.2.g is deleted.
- B. The "Mold" EXCLUSION A.3.e. is deleted.

COMMERCIAL PROPERTY  
CP 00 10 10 12

# BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. Definitions.

## A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

### 1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, A.1., and limited in A.2. Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

a. **Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

### b. Your Business Personal Property

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

### c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

## 2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

  - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
  - (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
  - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
  - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
  - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
  - (e) Remove deposits of mud or earth from the grounds of the described premises;
  - (f) Extract "pollutants" from land or water; or
  - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
  - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

#### (5) Examples

The following examples assume that there is no Coinsurance penalty.

##### Example 1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

##### Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

#### b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

#### c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.



**d. Pollutant Clean-up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.

- (5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
  - (i) Until the property is actually repaired or replaced at the same or another premises; and
  - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

**f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

## 5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

## (2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:
  - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
  - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

## (3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

**f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

**g. Business Personal Property Temporarily In Portable Storage Units**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
  - (a) Will end 90 days after the business personal property has been placed in the storage unit;
  - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes Of Loss form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.



The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

#### D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

#### Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100
– 250
<hr/>
\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

#### Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

#### E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### 1. Abandonment

There can be no abandonment of any property to us.

##### 2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

##### 3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.



- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

- h.** A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

## 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## 6. Vacancy

### a. Description Of Terms

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
- (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

- (b)** When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i)** Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
- (ii)** Used by the building owner to conduct customary operations.

- (2)** Buildings under construction or renovation are not considered vacant.

### b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1)** We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:
- (a)** Vandalism;
- (b)** Sprinkler leakage, unless you have protected the system against freezing;
- (c)** Building glass breakage;
- (d)** Water damage;
- (e)** Theft; or
- (f)** Attempted theft.
- (2)** With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## 7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a.** At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
  - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

## F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

### Example 1 (Underinsurance)

When: The value of the property is: \$ 250,000  
 The Coinsurance percentage for it is: 80%  
 The Limit of Insurance for it is: \$ 100,000  
 The Deductible is: \$ 250  
 The amount of loss is: \$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
 (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

### Example 2 (Adequate Insurance)

When: The value of the property is: \$ 250,000  
 The Coinsurance percentage for it is: 80%  
 The Limit of Insurance for it is: \$ 200,000  
 The Deductible is: \$ 250  
 The amount of loss is: \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

### Example 3

When:	The value of the property is:	
	Building at Location 1:	\$ 75,000
	Building at Location 2:	\$ 100,000
	Personal Property at Location 2:	<u>\$ 75,000</u>
		\$ 250,000
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location 2:	\$ 30,000
	Personal Property at Location 2:	<u>\$ 20,000</u>
		\$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$   
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

## 2. Mortgageholders

- The term mortgageholder includes trustee.
- We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - Pays any premium due under this Coverage Part at our request if you have failed to do so;

- Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

- Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

### 1. Agreed Value

- The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

## 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

### Example

If: The applicable Limit of Insurance is: \$ 100,000  
 The annual percentage increase is: 8%  
 The number of days since the beginning of the policy year (or last policy change) is: 146  
 The amount of increase is:  
 $\$100,000 \times .08 \times 146 \div 365 =$  \$ 3,200

## 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.



- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

**4. Extension Of Replacement Cost To Personal Property Of Others**

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

**H. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.



COMMERCIAL PROPERTY  
CP 00 30 10 12

## BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

### A. Coverage

#### 1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

#### 2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

### 3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

## 5. Additional Coverages

### a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
  - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

**b. Alterations And New Buildings**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

**c. Extended Business Income**

**(1) Business Income Other Than "Rental Value"**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(2) "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**d. Interruption Of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations does not apply based on Paragraph A.4.d. therein.
  - (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
    - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
    - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
    - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
    - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
  - (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
  - (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.
- 6. Coverage Extension**
- If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:
- Newly Acquired Locations**
- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
  - b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
  - c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
    - (1) This policy expires;

(2) 30 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

## B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

## C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

### 1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

## 2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.



**3. Loss Determination**

- a. The amount of Business Income loss will be determined based on:
  - (1) The Net Income of the business before the direct physical loss or damage occurred;
  - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
  - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (4) Other relevant sources of information, including:
    - (a) Your financial records and accounting procedures;
    - (b) Bills, invoices and other vouchers; and
    - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
  - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

**c. Resumption Of Operations**

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

**4. Loss Payment**

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

**D. Additional Condition****COINSURANCE**

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- 1. The Coinsurance percentage shown for Business Income in the Declarations; times
- 2. The sum of:
  - a. The Net Income (Net Profit or Loss before income taxes), and
  - b. Operating expenses, including payroll expenses,
 that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).



Instead, we will determine the most we will pay using the following steps:

- Step (1):** Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2):** Divide the Limit of Insurance for the described premises by the figure determined in **Step (1)**; and
- Step (3):** Multiply the total amount of loss by the figure determined in **Step (2)**.

We will pay the amount determined in **Step (3)** or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form **CP 15 11** is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form **CP 15 10** is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

### Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 150,000

The amount of loss is: \$ 80,000

**Step (1):**  $\$400,000 \times 50\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

**Step (2):**  $\$150,000 \div \$200,000 = .75$

**Step (3):**  $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

### Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 200,000

The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

### E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

#### 1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:
- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
  - (2) The Limit Of Insurance shown in the Declarations.

## 2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Declarations for this Optional Coverage.

### Example

When:	The Limit of Insurance is:	\$ 120,000
	The fraction shown in the Declarations for this Optional Coverage is:	1/4
	The most we will pay for loss in each period of 30 consecutive days is:	\$ 30,000
	(\$120,000 x 1/4 = \$30,000)	
	If, in this example, the actual amount of loss is:	
	Days 1–30:	\$ 40,000
	Days 31–60:	\$ 20,000
	Days 61–90:	\$ 30,000
		\$ 90,000
	We will pay:	
	Days 1–30:	\$ 30,000
	Days 31–60:	\$ 20,000
	Days 61–90:	\$ 30,000
		\$ 80,000

The remaining \$10,000 is not covered.

## 3. Business Income Agreed Value

- a. To activate this Optional Coverage:
  - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
    - (a) During the 12 months prior to the date of the Work Sheet; and

- (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a) The Coinsurance percentage shown in the Declarations; multiplied by

- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

- b. The Additional Condition, Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or

- (2) The expiration date of this policy; whichever occurs first.

- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or

- (2) When you request a change in your Business Income Limit of Insurance.

- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by

- (2) The Agreed Value.

### Example

When:	The Limit of Insurance is:	\$ 100,000
	The Agreed Value is:	\$ 200,000
	The amount of loss is:	\$ 80,000

Step (1):  $\$100,000 \div \$200,000 = .50$

Step (2):  $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

## 4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

## F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
  - a. Your business activities occurring at the described premises; and
  - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
  - a. Begins:
    - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
    - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
 

caused by or resulting from any Covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that premises, including:
    - (1) Payroll; and
    - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
  - a. The slowdown or cessation of your business activities; or
  - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

**COMMERCIAL PROPERTY****COMMERCIAL PROPERTY CONDITIONS**

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

**A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. CONTROL OF PROPERTY**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. INSURANCE UNDER TWO OR MORE COVERAGES**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**D. LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

**E. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**F. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**G. OTHER INSURANCE**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**H. POLICY PERIOD, COVERAGE TERRITORY**

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

**COMMERCIAL PROPERTY  
CP 01 33 10 12**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART**

**A.** If this policy covers the interest of the owner of any of the following types of buildings or structures:

1. Residential (except 1 or 2 family buildings or structures);
2. Commercial; or
3. Industrial;

the following provision is added:

Before payment to you for loss or damage to the above buildings or structures caused by or resulting from fire, we will:

- (1) Deduct from your payment the claim of any tax district that issues a certificate of lien in accordance with the Insurance Law; and
- (2) Pay directly to the tax district the amount of the claim.

When we pay that claim, we will have no obligation to pay the amount of that claim to you. Our payment of that claim within 30 days of our receipt of the certificate of lien will be a conclusive presumption that the claim was valid and properly paid.

**B.** The following is added with respect to any Condition of this Coverage Part which requires you to notify us of loss or to notify us of an accident, claim or "suit":

1. Notice given by or on your behalf; or
  2. Written notice by or on behalf of any claimant;
- to any of our agents in New York State, which adequately identifies you, will be the same as notice to us.

**C. Legal Action Against Us**

1. The **Legal Action Against Us** Loss Condition in the Legal Liability Coverage Form is replaced by the following:

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from you; or

- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against you; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

2. Paragraph **b.** of Additional Condition **H.5. Legal Action Against Us** in the Mortgageholders Errors And Omissions Coverage Form is replaced by the following:

- b. No person or organization has a right under Coverages **C** and **D**:

- (1) To join us as a party or otherwise bring us into a "suit" asking for damages from you; or
- (2) To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against you; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

- D.** The **Examination Of Your Books And Records** Common Policy Condition is replaced by the following:

**Examination Of Your Books And Records**

1. Except as provided in **2.** below, we may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.



2. We will conduct an audit to determine the final premium due or to be refunded, for coverage for which an advance or deposit premium was paid based on estimated exposure. But the audit may be waived if:

- a. The total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1,500; or
- b. The policy requires notification to the insurer with the specific identification of any additional exposure units (e.g., buildings) for which coverage is requested.

If the audit is not waived, it must be completed within 180 days after:

- a. The expiration date of the policy; or
- b. The anniversary date, if this is a continuous policy or a policy written for a term longer than one year.

- E. The following sentence is deleted from Paragraph **A.** in the Legal Liability Coverage Form:

We will have the right and duty to defend any "suit" seeking those damages.

The following sentence is added to Paragraph **A.** in the Legal Liability Coverage Form:

We will have the right and duty to defend any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent.

- F. The following sentence is deleted from Paragraph **A.3.** in the Mortgageholders Errors And Omissions Coverage Form:

We will have the right and duty to defend any "suit" seeking those damages.

The following is added to Paragraph **A.3.** in the Mortgageholders Errors And Omissions Coverage Form:

We will have the right and duty to defend any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent.

- G. The following Condition is added to Paragraph **D.** of the Legal Liability Coverage Form and Paragraph **F.4.** of the Mortgageholders Errors And Omissions Coverage Form:

**Transfer Of Duties When A Limit Of Insurance Is Used Up**

1. If we conclude that, based on claims or "suits" which have been reported to us and to which this insurance may apply, a Limit of Insurance is likely to be used up in the payment of judgments or settlements, we will notify the first Named Insured, in writing, to that effect.

2. When the Limit of Insurance has actually been used up in the payment of judgments or settlements:

- a. We will notify the first Named Insured, in writing, as soon as practicable, that:

- (1) Such a limit has actually been used up; and
- (2) Our duty to defend "suits" seeking damages subject to that limit has also ended.

- b. We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits".

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.

- c. The first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

3. The first Named Insured will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph **2.b.** above.

The duty of the first Named Insured to reimburse us will begin on:

- a. The date on which the applicable limit of insurance is used up, if we sent notice in accordance with Paragraph **1.** above; or
- b. The date on which we sent notice in accordance with Paragraph **2.a.** above, if we did not send notice in accordance with Paragraph **1.** above.

4. The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

H. Except as provided in I. below, the **Appraisal** Condition is replaced by the following:

**Appraisal**

1. If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand.
2. If we or you fail to proceed with the appraisal of the covered loss after a written demand is made by either party, then either party may apply to a court having jurisdiction for an order directing the party that failed to proceed with the appraisal to comply with the demand for the appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such order.
3. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.
4. Each party will:
  - a. Pay its chosen appraiser; and
  - b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

I. The **Appraisal** Condition in:

1. Business Income (And Extra Expense) Coverage Form **CP 00 30**; and
2. Business Income (Without Extra Expense) Coverage Form **CP 00 32**;

is replaced by the following:

**Appraisal**

1. If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand.
2. If we or you fail to proceed with the appraisal of the covered loss after a written demand is made by either party, then either party may apply to a court having jurisdiction for an order directing the party that failed to proceed with the appraisal to comply with the demand for the appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such order.
3. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.
4. Each party will:
  - a. Pay its chosen appraiser; and
  - b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

J. The following provision is added to the Commercial Property Coverage Part:

**Estimation Of Claims**

Upon request, we will furnish you or your representative with a written estimate of damages to real property specifying all deductions, provided such an estimate has been prepared by us or has been prepared on our behalf for our own purposes. This estimate will be provided within thirty days after your request or its preparation, whichever is later.

- K.** The following provision is added to the Legal Liability Coverage Form and supersedes any provision to the contrary:

Failure to give prompt notice to us, as required under this Coverage Form, shall not invalidate any claim made by you or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by you or any other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

**COMMERCIAL PROPERTY  
CP 01 64 10 12**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES – FUNGUS, WET ROT AND DRY ROT**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART**

- A.** In the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, and Mortgageholders Errors And Omissions Coverage Form, the exclusion titled "Fungus", Wet Rot, Dry Rot And Bacteria and the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria are deleted. Under these forms, the following exclusion is added:

We will not pay for loss or damage caused by or resulting from "fungus", wet rot or dry rot. However, this exclusion does not apply when "fungus", wet rot or dry rot results from a Covered Cause of Loss.

- B.** In the Building And Personal Property Coverage Form and the Condominium Association Coverage Form, under the Additional Coverage – Increased Cost Of Construction, Paragraph **A.4.e.(5)** is replaced by the following:

Under this Additional Coverage, we will not pay for:

1. The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or
2. Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- C.** Paragraph **C.** of Ordinance Or Law Coverage Endorsement **CP 04 05** is replaced by the following:

We will not pay under Coverage **A**, **B** or **C** of this endorsement for:

1. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or

2. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- D.** Paragraph **A.** of Ordinance Or Law – Increased Period Of Restoration Endorsement **CP 15 31** is replaced by the following:

If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of "suspension" of "operations" caused by or resulting from a requirement to comply with any ordinance or law that:

1. Regulates the construction or repair of any property;
2. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
3. Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of or compliance with any ordinance or law which requires:

1. The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or
2. Any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

E. Paragraph **E.3.** of Functional Building Valuation Endorsement **CP 04 38** is replaced by the following:

We will not pay under this endorsement for:

1. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or

2. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

COMMERCIAL PROPERTY  
CP 01 78 08 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK – EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part.

- C.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.



POLICY NUMBER:ZBS 9632488 02

COMMERCIAL PROPERTY  
CP 04 11 10 12**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

### SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable
1	1	P-2
<b>Describe Any "P-9":</b>		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

**A. The following is added to the Commercial Property Conditions:**

**Protective Safeguards**

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

**"P-1" Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
  - Sprinklers and discharge nozzles;
  - Ducts, pipes, valves and fittings;
  - Tanks, their component parts and supports; and
  - Pumps and private fire protection mains.
- When supplied from an automatic fire protective system:
  - Non-automatic fire protective systems; and

- Hydrants, standpipes and outlets.

**"P-2" Automatic Fire Alarm**, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

**"P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

**"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.

**"P-5" Automatic Commercial Cooking Exhaust And Extinguishing System** installed on cooking appliances and having the following components:

- Hood;
- Grease removal device;
- Duct system; and
- Wet chemical fire extinguishing equipment.

**"P-9"**, the protective system described in the Schedule.

**B.** The following is added to the **Exclusions** section of:

Causes Of Loss – Basic Form

Causes Of Loss – Broad Form

Causes Of Loss – Special Form

Mortgageholders Errors And Omissions Coverage Form

Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or

2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

**COMMERCIAL PROPERTY**  
**CP 10 30 10 12**

## CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G. Definitions**.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is caused by an act of nature or is otherwise caused.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
  - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
    - (1) Electrical or electronic wire, device, appliance, system or network; or
    - (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.(1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;

- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

- (7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or

- (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or

- (b) To collapse caused by one or more of the following:

- (i) The "specified causes of loss";
- (ii) Breakage of building glass;
- (iii) Weight of rain that collects on a roof; or
- (iv) Weight of people or personal property.

- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;
- of part or all of any property on or off the described premises.



**4. Special Exclusions**

The following provisions apply only to the specified Coverage Forms:

**a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form**

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (5) Any other consequential loss.

**b. Leasehold Interest Coverage Form**

- (1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
  - (a) Your cancelling the lease;
  - (b) The suspension, lapse or cancellation of any license; or
  - (c) Any other consequential loss.

**c. Legal Liability Coverage Form**

- (1) The following exclusions do not apply to insurance under this Coverage Form:
  - (a) Paragraph **B.1.a.** Ordinance Or Law;
  - (b) Paragraph **B.1.c.** Governmental Action;
  - (c) Paragraph **B.1.d.** Nuclear Hazard;
  - (d) Paragraph **B.1.e.** Utility Services; and
  - (e) Paragraph **B.1.f.** War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

**(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

## 5. Additional Exclusion

The following provisions apply only to the specified property:

### Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

## C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

(2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

(1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

(2) Business Income Coverage or Extra Expense Coverage.

e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:

(1) Dampness or dryness of atmosphere or of soil supporting the vegetation;

(2) Changes in or extremes of temperature;

(3) Disease;

(4) Frost or hail; or

(5) Rain, snow, ice or sleet.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

a. Animals, and then only if they are killed or their destruction is made necessary.

b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

(1) Glass; or

(2) Containers of property held for sale.

c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

(1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
  - a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
  - a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### **D. Additional Coverage – Collapse**

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
  - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in **2.a.** or **2.b.**;
    - (2) One or more of the "specified causes of loss";
    - (3) Breakage of building glass;
    - (4) Weight of people or personal property; or
    - (5) Weight of rain that collects on a roof.
3. This **Additional Coverage – Collapse** does **not** apply to:
  - a. A building or any part of a building that is in danger of falling down or caving in;
  - b. A part of a building that is standing, even if it has separated from another part of the building; or
  - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

- b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.**

#### **E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
  - a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## F. Additional Coverage Extensions

### 1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

### 2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

### 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.



- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

#### G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

#### c. Water damage means:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.



POLICY NUMBER:ZBS 9632488 02

**COMMERCIAL PROPERTY**  
**CP 12 18 10 12****THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****LOSS PAYABLE PROVISIONS**

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM  
 BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 STANDARD PROPERTY POLICY

**SCHEDULE**

<b>Location Number:</b>	<b>Building Number:</b>	<b>Applicable Clause</b> <b>(Enter C.1., C.2., C.3. or C.4.):</b>
<b>Description Of Property:</b>		
<b>Loss Payee Name:</b>		
<b>Loss Payee Address:</b>		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.
- C.** The following is added to the **Loss Payment** Loss Condition, as indicated in the Declarations or in the Schedule:

**1. Loss Payable Clause**

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

- a.** Adjust losses with you; and
- b.** Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear

**2. Lender's Loss Payable Clause**

- a.** The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- (1)** Warehouse receipts;
- (2)** A contract for deed;
- (3)** Bills of lading;
- (4)** Financing statements; or
- (5)** Mortgages, deeds of trust, or security agreements.

- b.** For Covered Property in which both you and a Loss Payee have an insurable interest:

- (1)** We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- (2)** The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

- (3)** If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (a)** Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (b)** Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (c)** Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- (4)** If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (a)** The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (b)** The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- c.** If we cancel this policy, we will give written notice to the Loss Payee at least:

- (1)** 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2)** 30 days before the effective date of cancellation if we cancel for any other reason.

- d.** If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

**3. Contract Of Sale Clause**

- a. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered into a contract with for the sale of Covered Property.
- b. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:
  - (1) Adjust losses with you; and
  - (2) Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
- c. The following is added to the **Other Insurance** Condition:  
For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

**4. Building Owner Loss Payable Clause**

- a. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building in which you are a tenant.
- b. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.
- c. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

**COMMERCIAL PROPERTY**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TENTATIVE RATE**

The rates used in the development of the premium for the Commercial Property Coverage Part are tentative. We will adjust the premium effective from the inception date of this Coverage Part once the rates are promulgated. If this is a renewal of a policy previously issued by us, we will adjust the premium effective from the renewal date of this Coverage Part once the rates are promulgated.

POLICY NUMBER: ZBS 9632488 00

## EMPLOYEE BENEFITS LIABILITY INSURANCE

### THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:  
**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

LIMITS OF INSURANCE		
Aggregate Limit		\$1,000,000
Each Claim Limit		\$1,000,000
Deductible Amount: \$1,000		
SCHEDULE		
Estimated Number of Employees	Rate per Employee:	Advance Premium
5		275.00

A. The following replaces COVERAGE A;  
COVERAGE B and COVERAGE C under  
SECTION I - COVERAGES.

1. Insuring Agreement

- a. We will pay those sums the insured becomes legally obligated to pay as damages sustained by an employee, former employee or any of their beneficiaries or legal representatives because of any "wrongful acts" committed in the "administration" of the insured's "employee benefit program" by the insured or any other person, if the insured is legally responsible for the conduct of that person and which occur within the "coverage territory". We will have the right and duty to defend any "suit" seeking those damages. But:

- (1) The amount we will pay for damages is limited as described in SECTION III - LIMITS OF INSURANCE;

- (2) We may investigate or settle any claim or "suit" at our discretion; and

- (3) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments and settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SUPPLEMENTARY PAYMENTS.**

- b. This insurance applies to "wrongful acts" only if:

- (1) The "wrongful act" takes place in the "coverage territory";  
(2) The "wrongful act" did not take place before the effective date or after the expiration date of this endorsement;

and

- (3) A claim for damages because of the "wrongful act" is made against any insured in accordance with paragraph c. below, during the period this endorsement is in effect.

Paragraph (2) does not apply to a "wrongful act" occurring before the effective date if the insured had no knowledge of such act, could not reasonably foresee any circumstances which might result in a claim or "suit" and does not have any other applicable insurance.

The period in which a claim can be made for a "wrongful act" as stated in Paragraph (3) will automatically be extended, if this endorsement is cancelled or non renewed, for a period of one year from the date of the cancellation or non renewal. This extended reporting period does not extend the policy period or change the scope of coverage in any way.

- c. A claim by a person or organization seeking damages will be deemed to have been made when notice of such claim is received by any insured or by us, whichever come first.
- d. Our obligation to pay damages on your behalf applies only to the amount of damages in excess of a \$1,000 deductible which will be applied as follows:
  - 1. The deductible will apply to all damages sustained by one person or organization as the result of any one claim.
  - 2. The limits of insurance applicable to each claim will be reduced by the amount of such deductible.
  - 3. The aggregate limit shall not be reduced by the deductible amount.

## 2. Exclusions

This insurance does not apply to:

- a. Any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination or humiliation.

- b. Bodily injury, sickness or disease sustained by any person including death resulting from any of these.
- c. Physical injury to tangible property, including all resulting loss of use of that property and the loss of use of tangible property that is not physically injured.
- d. Any claim arising out of the failure of performance of contract by any insurer, group administrator or health maintenance organization including failure of any "employee benefit program".
- e. Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or similar law.
- f. Any claim arising out of:
  - (1) Failure of stock to perform as represented by the insured;
  - (2) Advice given by an insured to an employee to participate or not participate in stock subscription plans;
  - (3) The investment or non investment of funds;
  - (4) The payment or non payment of benefits under any "employee benefit program".
- g. Any violation(s) of any civil rights law.
- h. Any violation(s) of any provision(s) of the Employee Retirement Income Security Act of 1974 or any amendments to that act.
- i. An insufficiency of funds to meet any obligation under any "employee benefit program".
- j. Any fiduciary liability imposed by the Employee Retirement Income Security Act of 1974 or any amendments to that act.

## B. SUPPLEMENTARY PAYMENTS under SECTION I - COVERAGE is amended as follows:

- 1. Paragraph 2 is deleted.



C. SECTION II - WHO IS INSURED is amended as follows:

1. Paragraph 2 is replaced by the following
  2. Your employees are also insureds provided those employees are authorized by you to act in the "administration" of your "employee benefit program".

2. Paragraphs 3 and 4 are deleted.

D. SECTION III - LIMITS OF INSURANCE is replaced by the following:

1. The limit of insurance shown in the schedule for each claim is the most we will pay for the sum of damages from any one "wrongful act", regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The aggregate limit is the most we will pay for the sum of all damages from all "wrongful acts".

The limits of this endorsement apply separately to each consecutive policy period as stated in the declarations.

For the purposes of determining limits of insurance if this endorsement is cancelled or nonrenewed the additional reporting period will be deemed to be part of that portion of the last policy period during which this endorsement was in effect for cancellations or the last preceding policy period for nonrenewals.

E. SECTION IV - CONDITIONS is amended as follows:

1. Conditions 2, 4 and 5 are replaced by the following:
2. Duties In The Event Of A Negligent Act, Error, Omission, Breach Of Duty, Claim Or Suit
  - a. You must see to it that we are notified as soon as practicable of any negligent act, error, omission or breach of duty which may result in

a claim. The notice should include:

- (1) How, when and where the act, error, omission or breach of duty took place.
- (2) The names and addresses of any persons who sustain damages and any witnesses.

b. If a claim is made or a "suit" is brought against us you must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit".
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit" and;
- (4) Assist us, upon request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of injury or damage to which this insurance may also apply.

c. No "insured" will, except at their own cost, voluntarily make a payment, assume any obligation or incur any expense, without our consent.

4. Premiums

The premium shown on the schedule is an estimated premium only. At the end of the policy period you shall, upon our request, furnish us with a statement of any personnel changes since the effective date of this coverage. We will then compute the earned premium based on our rules and rates. If the earned premium exceeds the estimated premium you shall pay the excess to us; if it is less we will return the difference to you.

5. Other Insurance

If other valid and collectable insurance is available to the insured our obligations are limited as follows:

- a. The insurance provided by this endorsement is primary except when b. below applies. If this insurance is primary our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.
  - b. The insurance provided by this endorsement is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is effective prior to our continues after the effective date of this endorsement and that applies on other than a claims-made basis.
  - c. If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.  
  
If any of the other insurance does not permit contribution by equal shares we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.
2. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.
  3. "Employee benefit program" means Group Life Insurance, Group Health Insurance, Profit Sharing Plans, Employee Stock Subscription Plans, Workers Compensation Insurance, Unemployment Compensation Insurance, Disability Benefits Insurance, Pension Plans, Social Security and Travel, Savings or Vacation Plans.
  4. "Suit" means a civil proceeding in which damages to which this insurance applies are alleged. "Suit" includes an arbitration proceeding alleging such damages to which you must submit or do submit with our consent or any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.
  5. "Wrongful act" means any negligent act, error, omission or breach of duty committed by an insured in the "administration" of the insured's "employee benefit program".

F. SECTION V - DEFINITIONS is replaced by the following:

1. "Administration" means the following provided these acts are authorized by you:
  - a. Counseling employees with respect to the "employee benefit program".
  - b. Interpreting the "employee benefit program".
  - c. Record-keeping in connection with the "employee benefit program".
  - d. Enrollment, termination or cancellation of employees under the "employee benefit program".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ASBESTOS LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS POLICY  
COMMERCIAL GENERAL LIABILITY COVERAGE PART**

This insurance does not apply to “bodily injury”, “property damage”, “personal injury” or “advertising injury” arising out of any actual or alleged:

1. Inhaling, ingesting or prolonged physical exposure by any person to asbestos or asbestos fibers or goods or products containing asbestos; or
2. Use of asbestos in constructing or manufacturing any good, product or structure; or
3. Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of asbestos or asbestos fibers from any good, product or structure; or
4. Manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos; or
5. Product manufactured, sold, handled or distributed by or on behalf of the insured which contain asbestos; or
6. Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing or disposal of asbestos, asbestos fibers or products containing asbestos.

General supervision includes the rendering of or failure to render any instructions, recommendations, warnings or advice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL GENERAL LIABILITY SPECIAL BROADENING ENDORSEMENT (NEW YORK)

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SUMMARY OF COVERAGES

1. Additional Insured by Contract, Agreement or Permit	Included
2. Additional Insured - Broad Form Vendors	Included
3. Aggregate Limit per Location	Included
4. Alienated Premises	Included
5. Bodily Injury Redefined	Included
6. Broad Form Property Damage - Borrowed Equipment, Customers Goods & Use of Elevators	Included
7. Extended Property Damage	Included
8. Incidental Malpractice (Employed nurses, EMT's & paramedics)	Included
9. Knowledge of Occurrence	Included
10. Liberalization Clause	Included
11. Medical Payments - Increased Limit	\$ 10,000
12. Newly Acquired or Formed Organizations - Covered until end of policy period	Included
13. Non-owned Watercraft	51 ft.
14. Personal Injury - Broad Form	Included
15. Product Recall Expense	
- Each Occurrence Limit	\$ 25,000
- Aggregate Limit	\$ 50,000
16. Property Damage Legal Liability (Fire, Lighting, Explosion, Smoke or Leakage Damage)	\$500,000
17. Supplementary Payments Increased Limits	
- Bail Bonds	\$ 2,500
- Loss of Earnings	\$ 300
18. Unintentional Failure to Disclose Hazards	Included
19. Unintentional Failure to Notify	Included

This endorsement amends coverages provided under the Commercial General Liability Coverage Form through new coverages, higher limits and broader coverage grants.

#### 1. Additional Insured by Contract, Agreement or Permit

Under **Section II - Who Is An insured**, Paragraph 5. is added as follows:

5. a. Any person or organization with whom you agreed, because of a written contract, written agreement or permit to provide insurance, is an insured, but only with respect to:

- (1) "Your work" for the additional insured(s) at the location designated in the contract, agreement or permit; or
- (2) Premises you own, rent, lease or occupy.

This insurance applies on a primary basis if that is required by the written contract, written agreement or permit.

b. This provision does not apply:

- (1) Unless the written contract or written agreement has been executed or permit has been issued prior to the "bodily injury", "property damage", "personal and advertising injury".
- (2) To any person or organization included as an insured by an endorsement issued by us and made part of this Coverage Part.

- (3) To any person or organization included as an insured under item 2 of this endorsement.
- (4) To any lessor of equipment:
  - (a) After the equipment lease expires; or
  - (b) If the "bodily injury", "property damage", "personal and advertising injury" arises out of sole negligence of the lessor.
- (5) To any:
  - (a) Owners or other interests from whom land has been leased which takes place after the lease for the land expires; or
  - (b) Managers or lessors of premises if:
    - (i) The occurrence takes place after you cease to be a tenant in that premises; or
    - (ii) The "bodily injury", "property damage", "personal and advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.
- (4) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instruction from the manufacturer, and then repackaged in the original container;
- (5) Any failure to make such inspection, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product;
- (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any thing or substance by or for the vendor.
- c. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

## 2. Additional Insured - Broad Form Vendors

Under **Section II - Who Is An Insured**, Paragraph 6. is added as follows:

- 6. a. Any person or organization with whom you agreed, because of a written contract or written agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:
- b. The insurance afforded the vendor does not apply to:
  - (1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reasons of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
  - (2) Any express warranty unauthorized by you;
  - (3) Any physical or chemical change in the product made intentionally by the vendor;

## 3. Aggregate Limit Per Location

- (1) Under **Section III - Limits of Insurance** the General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.
- (2) Under **Section V - Definitions**, definition 23. is added as follows:
  - 22. "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

## 4. Alienated Premises

Under **Section I - Coverage A**, paragraph 2. **Exclusions, j. (2)** is replaced in its entirety with the following:

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises and occurred from hazards that were known by you, or should have reasonably been known by you, at the time the property was transferred or abandoned.

## 5. Bodily Injury Redefined

Under **Section V - Definitions**, definition 3. "bodily injury" is replaced in its entirety with the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death resulting from "bodily injury", sickness or disease.

**6. Broad Form Property Damage - Borrowed Equipment, Customers Goods, Use of Elevators**

(1) Under **Section I - Coverage A**, paragraph 2. **Exclusion j.** is amended as follows:

Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraphs (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor do they apply to the use of elevators at premises you own, rent, lease or occupy.

(2) Under **Section V - Definitions**, definition 24. is added as follows:

23. "Customers goods" means property of your customer on your premises for the purpose of being:

- a. worked on; or
- b. used in your manufacturing process.

(3) The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent or on any other basis.

**7. Extended Property Damage**

Under **Section I - Coverage A**, paragraph 2. **Exclusions**, Exclusion a. is replaced in its entirety with the following:

a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**8. Incidental Malpractice - Employed Nurses, EMT's and Paramedics**

Under **Section II - Who Is An Insured**, paragraph 2.a.(1)(d) does not apply to a nurse, emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

**9. Knowledge of Occurrence**

Under **Section IV - Commercial General Liability Conditions**, Condition 2 - **Duties in the Event of Occurrence, Offense, Claim or Suit**, paragraph e. is added as follows:

e. Notice of an "occurrence", offense, claim or "suit" will be considered knowledge of the insured if reported to an individual named insured, partner, executive officer or an "employee" designated by you to give us such a notice.

**10. Liberalization Clause**

Under **Section IV - Commercial General Liability Conditions**, condition 10. is added as follows:

**10. Liberalization Clause**

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium, within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**11. Medical Payments - Increased Limits**

(1) Under **Section I - Coverage C**, paragraph a. (2) is replaced in its entirety by the following:

(2) The expenses are incurred and reported to us within three years of the date of the accident; and

(2) Under **Section III - Limits of Insurance**, paragraph 7. is replaced in its entirety by the following:

7. Subject to 5. above, the higher of:

- a. \$10,000; or
- b. The amount shown in the Declarations for Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by one person.

(3) This coverage does not apply if **Coverage C - Medical Payments** is excluded either by the provisions of the Coverage Part or by endorsement.

**12. Newly Acquired Or Formed Organizations**

Under **Section II - Who Is An Insured**, paragraph 4.a. is replaced in its entirety by the following:

a. Coverage under this provision is afforded only until the end of the policy period.



**13. Non-Owned Watercraft**

Under **Section I - Coverage A**, paragraph 2 **Exclusions, g.(2)** is replaced in its entirety by the following:

- (2) A watercraft you do not own that is:
- (a) Less than 51 feet long; and
  - (b) Not being used to carry persons or property for a charge;

This provision applies to any person, who with your consent, either uses or is responsible for the use of a watercraft.

**14. Personal Injury - Broad Form**

- (1) Under **Section I - Coverage B**, paragraph 2.e. is deleted in its entirety.
- (2) Under **Section V - Definitions**, definition 14, paragraph b. is replaced in its entirety by the following:
- b. Malicious prosecution or abuse of process.
- (3) Under **Section V - Definitions**, definition 14, paragraph h. is added as follows:
- h. Discrimination or humiliation (unless insurance thereof is prohibited by law) including disparate impact or vicarious liability that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is:
- (1) Not done intentionally by or at the direction of:
    - (a) The insured;
    - (b) Any officer of the corporation, director, stockholder, partner or member of the insured; and
  - (2) Not directly or indirectly related to an "employee", not to the employment, prospective employment or termination of any person or persons by an insured.
- (4) This coverage does not apply if **Coverage B - Personal and Advertising Injury Liability** is excluded either by the provisions of the Coverage Part of by endorsement.

**15. Product Recall Expense**

- (1) Under **Section I - Coverage A**, paragraph 2 **Exclusions, n.** is replaced in its entirety by the following:
- n. **Recall of Products, Work or Impaired Property**
- Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection,

repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall expenses" that you incur for the "covered recall" of "your product". The exception to the exclusion does not apply to "Product recall expenses" resulting from:

- (1) Failure of any products to accomplish their intended purpose;
- (2) Breach of warranties of fitness, quality, durability or performance;
- (3) Loss of customer approval, or any cost incurred to regain customer approval;
- (4) Redistribution or replacement of "your product" which has been recalled by like products or substitutes;
- (5) Caprice or whim of the insured;
- (6) A condition likely to cause loss of which any insured knew or had reason to know at the inception of this insurance;
- (7) Asbestos, including loss, damage or clean up resulting from asbestos or asbestos containing materials;
- (8) Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.

- (2) Under **Section II - Who Is An Insured**, paragraph 4.d. is added as follows:

- d. Coverage A does not apply to "product recall expense" arising out of any withdrawal or recall that occurred before you acquired or formed the organization.

- 3) Under **Section III - Limits of Insurance**, paragraph 8. is added as follows:

8. The Limits of Insurance and rules stated below fix the most we will pay under this coverage part.
- (1) The Aggregate Limit is the most we will reimburse you for the sum of all "product recall expenses" incurred for all "product recall expenses" initiated during the policy period.

(2) The Each Occurrence Limit shown in the Summary of Coverages Declaration is the most we will pay in connection with any one defect or deficiency.

(a) All "product recall expenses" in connection with substantially the same general harmful condition will be deemed to arise out of the same defect or deficiency and considered one occurrence.

(b) Any amount reimbursed for "product recall expenses" in connection with any one occurrence will reduce the amount of the Aggregate Limit available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

(c) If the Aggregate Limit has been reduced by reimbursement of "product recall expenses" to an amount that is less than the Each Occurrence Limit, the remaining Aggregate Limit is the most that will be available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

The Limits of Insurance of Product Recall Expense apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

(3) A Deductible of \$500 applies for Each Occurrence.

(5) Under **Section IV - Commercial General Liability Conditions**, Condition 2 - **Duties in the Event of Occurrence, Offense, Claim or Suit**, paragraph f. is added as follows:

f. You must see to it that the following are done in the event of an actual or anticipated "covered recall" that may result in "product recall expense":

(1) Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled. Include a description of "your product" and the reason for the withdrawal or recall;

(2) Cease any further release, shipment, consignment or any other method of

distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance.

(6) Under **Section V - Definitions**, the following definitions are added:

25. "Covered recall" means a recall made necessary because you or a government body has determined that a known or suspected defect, deficiency, inadequacy, or dangerous condition in "your product" has resulted or will result in "bodily injury" or "property damage".

26. "Product recall expense" means:

a. Necessary and reasonable expenses for:

(1) Communications, including radio or television announcements or printed advertisements including stationery, envelopes and postage;

(2) Shipping the recalled products from any purchaser, distributor or user to the place or places designated by you;

(3) Remuneration paid to your regular "employees" for necessary over-time;

(4) Hiring additional persons, other than your regular "employees";

(5) Expenses incurred by "employees" including transportation and accommodations;

(6) Expenses to rent additional warehouse or storage space;

(7) Disposal of "your product", but only to the extent that specific methods of destruction other than those employed for trash discarding or disposal are required to avoid "bodily injury" or "property damage" as a result of such disposal;

You incur exclusively for the purpose of recalling "your product"; and

b. Your lost profit resulting from such "covered recall".

16. **Property Damage Legal Liability (Fire, Lightning, Explosion, Smoke or Leakage from Fire Protective Systems Damage)**

(1) The word **fire** is changed to **fire, lightning, explosion, smoke and leakage from fire protective systems** where it appears in the Limits of Insurance section of the Declarations of the Commercial General Liability Coverage Part.

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- (2) Under **Section I - Coverage A**, the last paragraph (after the exclusions) is replaced in its entirety by the following:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke or leakage from fire protective systems to premises while rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (SECTION III). This limit will apply to all damage proximately caused by the same event, whether such damage results from fire, lightning, explosion, smoke or leakage from fire protective systems or any combination of the five.

- (3) Under **Section III - Limits Of Insurance**, paragraph 6. is replaced in its entirety by the following:

6. Subject to 5. above, the higher of:

- a. \$500,000; or
- b. The Fire, Lightning, Explosion, Smoke or Leakage from Fire Protective Systems Damage Limit shown in the Declarations is the most we will pay under Coverage A for damages because of "property damage" from fire, lightning, explosion, smoke and leakage from fire protective systems to premises, while rented to you or temporarily occupied by you with permission of the owner.

- (4) Under **Section IV - Commercial General Liability Conditions**, Condition 4. **Other Insurance**, paragraph b.(2) is replaced by the following:

b.(2) That is fire, lightning, explosion, smoke or leakage from fire protective systems insurance for premises rented to you or temporarily occupied by you with permission of the owner; or

- (5) Under **Section V - Definitions**, definition 9. **"Insured contract"**, a. is replaced in its entirety by the following:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke or leakage from fire protective systems to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

- (6) This coverage does not apply if Fire Damage Legal Liability of **Coverage A** is excluded either by the provisions of the Coverage Part or by endorsement.

## 17. **Supplementary Payments Increased Limits**

Under **Section I - Supplementary Payments, Coverages A and B**, paragraphs 1.b. and 1.d. are replaced in their entirety as follows:

- 1.b. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- 1.d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$300 a day because of time off from work.

## 18. **Unintentional Failure to Disclose Hazards**

Under **Section IV - Commercial General Liability Conditions**, Condition 6. - **Representations**, paragraph d. is added as follows:

- d. We will not disclaim coverage under this Coverage Part if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

## 19. **Unintentional Failure to Notify**

Under **Section IV - Commercial General Liability Conditions**, Condition 2. - **Duties in the Event of Occurrence, Offense, Claim or Suit**, paragraph g. is added as follows:

- g. Your rights afforded under this policy shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## NEW YORK HOSPITALITY SERVICES ERRORS AND OMISSIONS INSURANCE

IN CONSIDERATION OF ADDITIONAL PREMIUM CHARGED, THE FOLLOWING ENDORSEMENT IS ADDED TO THE POLICY. PLEASE READ IT CAREFULLY AS IT CHANGES THE POLICY.

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

**Hospitality Services Errors and Omission Occurrence Limit \$ 100000**

**Hospitality Services Errors and Omission Aggregate Limit \$ 100000**

**(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)**

Except for the insurance provided by this endorsement, the Coverage Part to which this endorsement is attached does not apply to any claim or "suit" seeking damages arising out of rendering or failure to render "hospitality services".

### The following is added to SECTION I - COVERAGES

#### Coverage D Hospitality Services Errors and Omissions

##### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as "damages" arising out of the rendering or failure to render "hospitality services" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those "damages". However, we will have no duty to defend the insured against any "suit" seeking "damages" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance;
- (2) Our obligation to pay "damages" on your behalf applies only to the amount of "damages" in excess of a \$250 per "occurrence" deductible; and

- (3) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage D.

- b. This insurance applies to "damages" only if:

- (1) The "damages" are caused by the rendering or failure to render "hospitality services" that takes place in the "coverage territory"; and
- (2) The "damages" occur during the policy period.

##### 2. Exclusions

Solely with respect to the "hospitality services" errors and omissions insurance provided by this endorsement, the following exclusions apply.

The following exclusions apply even if the claim against any insured alleges negligence or other

wrongdoing in the supervision, hiring, employment, training, or monitoring of others by that insured.

This insurance does not apply to any claims:

**a. Expected Or Intended Injury**

arising out of any intentional, dishonest, fraudulent, criminal, wrongful or malicious act, error or omission, committed by, knowingly allowed or directed by any insured, including the willful or reckless violation of any statute.

**b. "Bodily Injury" or "Property Damage" or "Personal and Advertising Injury"**

arising out of "bodily injury" or "property damage" or "personal and advertising injury".

**c. Discrimination**

arising out of any actual or alleged "discrimination".

**d. Liquor Liability**

arising out of or for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

**e. Weather**

arising out of the cancellation of any "hospitality services" due to any adverse weather conditions, including but not limited to natural disasters.

**f. Professional Services**

arising out of the rendering or failure to render the following professional services by any insured:

- (1) Notarizing, legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Engineering services, construction services, or property developer including related supervisory or inspection services;

- (4) Medical or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (7) Any equipment or process used to tan skin;
- (8) Body massage other than facial massage;
- (9) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy.
- (10) Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardiovascular fitness, body building or physical training programs.

**g. Unauthorized Access**

arising out of any access to, or use of a computer, computer system or computer network by an unauthorized person or persons or an authorized person in an unauthorized manner.

**h. Detrimental Code**

arising out of any computer virus, program, routine, sub-routine, Trojan horse, worm, script or other code or code string that destroys, alters or corrupts any electronic data, computer or computer system.

**i. Cost Guarantees**

arising out of any cost guarantees, or estimates of, or exceeding probable costs; or any actual or alleged guaranty, warranty, promise, expressed or implied, or verbal or written, relating to cost savings.

**j. Over- Redemption**

arising out of "over-redemption" of coupons, awards, or prizes from advertisements, promotions, games, sweepstakes, contests, and games of chance.

**k. Contractual Liability**

arising out of liability you assume under any contract or agreement, including but not limited



to, any contract price, cost guarantee or cost estimate being exceeded; however, this exclusion does not apply to liability you would have in the absence of such contract or agreement;

#### **I. Fee Disputes**

arising out of disputes involving:

- (1) your fees or charges, including over-charges, or cost over-runs;
- (2) collecting your fees from third parties;
- (3) the return of fees or other compensation paid to you; or
- (4) your cost of correcting or re-performing or completing any "hospitality services";

#### **m. Real Estate Agent, Broker or Property Manager**

- (1) arising out of or connected with the formulation, promotion, syndication, offer, sale or management of any limited partnership, general partnership, real estate investment trust or other security, including any interest therein;
- (2) arising out of any insured notarizing, certifying or acknowledging any signature not signed before such insured at the time of such notarization, certification or acknowledgment; or
- (3) arising out any timeshare sales or real property provided by any insured or any real estate broker who is either employed by, or performing work on behalf of, any insured in such capacity.
- (4) arising out of the failure to disclose or misrepresentation of information relating to the condition of property for an intended use.
- (5) arising out of physical changes or modifications to accommodate or comply with any law prohibiting discrimination including but not limited to the American with Disabilities Act of 1990 or any similar federal, state or local law or regulation.

#### **n. Privacy**

arising out of any alleged or actual violation of any person or entity's privacy rights;

#### **o. Funds Management**

arising out of:

- (1) any actual or alleged theft, stealing, conversion, commingling, embezzlement or misappropriation by any person of any money, funds, securities, assets or other legal tender, or any actual or alleged failure to return or collect any money, funds, securities, assets or other legal tender;
- (2) failure to collect, pay or return commissions or deposits or amounts charged or paid for your "hospitality services".

#### **p. Cost to Correct**

arising out of your cost to correct, re-perform, or complete any "hospitality services". However, this exclusion does not apply to extra expenses that are over and above the amount agreed upon for your "hospitality services", which are incurred by your customers to procure comparable replacement for such "hospitality services" due to your error or omission.

#### **q. Tour Operator**

arising out of tour services other than organizing and conducting land tours on public roads and making of reservations for such tours.

#### **r. Mental Anguish**

Arising out of any mental anguish, mental suffering, mental injury, shock, anxiety, depression, embarrassment, humiliation, fear, grief, distress or emotional pain.

### **C. SECTION II - WHO IS AN INSURED**

The following is added to **SECTION II - WHO IS AN INSURED**:

Under **Section II – Who Is An Insured**, Part 2. **a. (1) (d)** is amended as follows:

- (d) Arising out of his or her providing or failing to provide "hospitality services". However, your "employees" are insured with respect to their providing or failing to provide "hospitality services".



**D. SECTION III - LIMITS OF INSURANCE**

The following is added to **SECTION III - LIMITS OF INSURANCE**:

**SECTION III - LIMITS OF INSURANCE**

The following is added to **SECTION III - LIMITS OF INSURANCE**:

- a. The Limits of Insurance shown in the Schedule or Declaration and the rules below fix the most we will pay regardless of the number of:
  - 1) Insureds;
  - 2) Claims made or "suits" brought; or
  - 3) Persons or organizations making claims or bringing "suits".
- b. The Hospitality Services Errors and Omission Aggregate Limit is the most we will pay for all damages because of or arising in any way out of "hospitality services" to which this insurance applies.
- c. Subject to the Hospitality Services Errors and Omission Aggregate Limit, the Hospitality Services Errors and Omission Occurrence Limit is the most we will pay for all damages sustained in any one "occurrence".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

**E. SECTION IV – CONDITIONS**

1. For the purposes of the coverage provided by this endorsement, the following is added to **Paragraph 4. Section IV - Conditions** :

**d. Other Insurance**

- (1) The insurance provided by this coverage endorsement is excess over any other valid and collectable insurance or agreement of indemnity available to the insured.
- (2) When this insurance is excess, we have no duty to investigate or defend any claim or "suit" if any other insurer has a duty to defend the insured against that claim or "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

**2. Under Section IV - Conditions, Paragraph 10 is added as follows:**

**10. Deductible**

The terms of this insurance, including those with respect to:

1. Our right and duty to defend the insured against any "suits" seeking those "damages"; and
2. Your duties in the event of an "occurrence", claim, or "suit"

apply irrespective of the application of the deductible amount.

We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

**F. SECTION V – DEFINITIONS**

- a. The following definitions are hereby added:
  23. "Damages" means any compensatory amount that the insured shall be legally obligated to pay for judgments rendered against the insured, or settlements negotiated with our written consent. "Damages" shall not include:

- i. any amounts for which you are not financially liable or for which there is no legal recourse against you;
- ii. the costs and expenses of complying with any injunctive, non-monetary or other form of equitable relief;
- iii. fines, penalties, or taxes;
- iv. matters that may be deemed uninsurable under the law; or
- v. any cost of replacement of "your product" or "your work".

**24.** "Discrimination" means violation of a person's civil rights with respect to such person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any federal, state or local statutes, rules or regulations.

**25.** "Over-redemption" means price discounts, prizes, awards or other valuable consideration given in excess of the total contracted or expected amount.

**26.** "Hospitality Services" means meeting, restaurant, banquet or catering services and event planning you provide to your customers in the conduct of your business as a hotel, inn, motel, restaurant, golf club or fitness club, or food service provider.

# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

## SECTION I – COVERAGES

### COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

#### **g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
- (b) the operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### **i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

#### **j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;



- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Distribution Of Material In Violation Of Statutes**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1)** The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2)** Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b.** This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

#### **i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

#### **j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1)** Advertising, broadcasting, publishing or telecasting;
- (2)** Designing or determining content of websites for others; or

- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Distribution Of Material In Violation Of Statutes**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

**COVERAGE C MEDICAL PAYMENTS**

**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - (1) Agrees in writing to:
    - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
    - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - (c) Notify any other insurer whose coverage is available to the indemnitee; and
    - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (2) Provides us with written authorization to:
    - (a) Obtain records and other information related to the "suit"; and



- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

## SECTION II – WHO IS AN INSURED

### 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

### 2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

#### (1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

#### (2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
- 2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage **C**;
  - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage **B**.

- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
- 4. Subject to Paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
- 5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
- 6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
- 7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

#### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

#### 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and



(3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

### 3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

#### b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit**

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**6. Representations**

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

**7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

**8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

**SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or
- c. All other parts of the world if the injury or damage arises out of:
  - (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;
  - (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or
  - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph **a.** above or in a settlement we agree to.

- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

**10.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**11.** "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

**(1)** Power cranes, shovels, loaders, diggers or drills; or

**(2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

**(1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

**(2)** Cherry pickers and similar devices used to raise or lower workers;

- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

**(1)** Equipment designed primarily for:

**(a)** Snow removal;

**(b)** Road maintenance, but not construction or resurfacing; or

**(c)** Street cleaning;

**(2)** Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

**(3)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**14.** "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

**a.** False arrest, detention or imprisonment;

**b.** Malicious prosecution;

**c.** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

**d.** Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

**e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;

**f.** The use of another's advertising idea in your "advertisement"; or

**g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15. "Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**16. "Products-completed operations hazard":**

**a.** Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1)** Products that are still in your physical possession; or
- (2)** Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a)** When all of the work called for in your contract has been completed.
  - (b)** When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c)** When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

**b.** Does not include "bodily injury" or "property damage" arising out of:

- (1)** The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2)** The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3)** Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17. "Property damage" means:**

**a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

**b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18. "Suit"** means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19. "Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**20. "Volunteer worker"** means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21. "Your product":**

**a. Means:**

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a)** You;
  - (b)** Others trading under your name; or
  - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**



(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**22. "Your work":**

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

(2) The providing of or failure to provide warnings or instructions.



## RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion **q.** of Paragraph 2. **Exclusions** of Section I – **Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

#### 2. Exclusions

This insurance does not apply to:

##### q. **Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

- B. Exclusion **p.** of Paragraph 2. **Exclusions** of Section I – **Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

#### 2. Exclusions

This insurance does not apply to:

##### p. **Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COMMERCIAL GENERAL LIABILITY  
CG 01 04 12 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NEW YORK CHANGES – PREMIUM AUDIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A.** Paragraph **b.** of the **Premium Audit** Condition **Section IV** is replaced by the following:

**PREMIUM AUDIT**

- b.** Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. An audit to determine the final premium due or to be refunded will be completed within 180 days after the expiration date of the policy. But the audit may be waived if the total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1500. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.

**B.** Except as provided in Paragraph **A.** above, the **Examination Of Your Books And Records** Common Policy Condition continues to apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES – COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. Paragraph 1. Insuring Agreement of Section I – Coverage A Bodily Injury And Property Damage Liability is replaced by the following:**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
  - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

**B. Paragraph 1.a. of Section I – Coverage B Personal And Advertising Injury Liability** is replaced by the following:

**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A and B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

**C. The following is added as Paragraph e. to the Duties In The Event Of Occurrence, Offense, Claim Or Suit Condition (Paragraph 2. of Section IV – Commercial General Liability Conditions):**

e. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

**D. Paragraph 3. of Section IV – Commercial General Liability Conditions** is replaced by the following:

**3. Legal Action Against Us**

a. Except as provided in Paragraph b., no person or organization has a right under this Coverage Part:

(1) To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

(2) To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

b. With respect to "bodily injury" and "personal and advertising injury" claims, if we deny coverage or do not admit liability because an insured or the injured person, someone acting for the injured person or other claimant fails to give us written notice as soon as practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against us, provided the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide timely notice.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if within 60 days after we deny coverage or do not admit liability, we or an insured:

(1) Brings an action to declare the rights of the parties under the policy; and

(2) Names the injured person, someone acting for the injured person or other claimant as a party to the action.

- E. The following provision is added and supersedes any provision to the contrary:

Failure to give notice to us as required under this Coverage Part shall not invalidate any claim made by the insured, injured person or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by the insured, injured person or other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

- F. The definition of "loading or unloading" in the **Definitions** Section does not apply.

**COMMERCIAL GENERAL LIABILITY**  
**CG 21 47 12 07**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.



**COMMERCIAL GENERAL LIABILITY  
CG 21 70 01 08**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

POLICY NUMBER: ZBS 9632488 00

COMMERCIAL GENERAL LIABILITY  
CG 22 45 07 98

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – SPECIFIED THERAPEUTIC OR COSMETIC SERVICES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Description Of Operations:**  
Per Classification on Dec Page

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability and Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

With respect to any operation shown in the Schedule, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy.

POLICY NUMBER: ZBS 9632488 00

COMMERCIAL GENERAL LIABILITY  
CG 24 07 01 96

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PRODUCTS/COMPLETED OPERATIONS HAZARD REDEFINED**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### **SCHEDULE**

#### **Description of Premises and Operations:**

See Declarations

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

With respect to "bodily injury" or "property damage" arising out of "your products" manufactured, sold, handled or distributed:

1. On, from or in connection with the use of any premises described in the Schedule, or
2. In connection with the conduct of any operation described in the Schedule, when conducted by you or on your behalf,

Paragraph a. of the definition of "Products-completed operations hazard" in the DEFINITIONS Section is replaced by the following:

"Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" that arises out of "your products" if the "bodily injury" or "property damage" occurs after you have relinquished possession of those products.

COMMERCIAL GENERAL LIABILITY  
CG 24 16 12 07

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CANOES OR ROWBOATS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. Exclusion **g.** of Section **I – Coverage A – Bodily Injury And Property Damage Liability** does not apply to "bodily injury" or "property damage" arising out of any canoe or rowboat owned or used by or rented to the insured.
2. **Section II – Who Is An Insured** is amended to include as an insured any person or organization legally responsible for the use of any such canoe or rowboat you own, provided the actual use is with your permission.

## COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES – TRANSFER OF DUTIES WHEN A LIMIT OF INSURANCE IS USED UP**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following Condition is added to COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV):

**Transfer of Duties When a Limit of Insurance Is Used Up.**

- a.** If we conclude that, based on "occurrences," offenses, claims or "suits" which have been reported to us and to which this insurance may apply, the:

- (1) General Aggregate Limit (other than the Products/Completed Operations Aggregate Limit);
- (2) Products/Completed Operations Aggregate Limit;
- (3) Personal and Advertising Injury Limit;
- (4) Each Occurrence Limit; or
- (5) Fire Damage Limit

is likely to be used up in the payment of judgments or settlements, we will notify the first Named Insured, in writing, to that effect.

- b.** When a limit of insurance described in paragraph **a.** above has actually been used up in the payment of judgments or settlements:

- (1) We will notify the first Named Insured, in writing, as soon as practicable, that:
  - (a) Such a limit has actually been used up; and
  - (b) Our duty to defend "suits" seeking damages subject to that limit has also ended.
- (2) We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits".

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.

- (3) The first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

- c.** The first Named Insured will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with paragraph **b.(2)** above.

The duty of the first Named Insured to reimburse us will begin on:

- (1) The date on which the applicable limit of insurance is used up, if we sent notice in accordance with paragraph **a.** above; or
- (2) The date on which we sent notice in accordance with paragraph **b.(1)** above, if we did not send notice in accordance with paragraph **a.** above.

- d.** The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

IL 00 23 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF  
TRANSPORTATION

1. The insurance does not apply:
  - A. Under any Liability Coverage, to "bodily injury" or "property damage":
    - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
    - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
    - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
    - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:
 

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".



"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

**(c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

**(d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

## LIQUOR LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – LIQUOR LIABILITY COVERAGE

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "injury" to which this insurance applies if liability for such "injury" is imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "injury" to which this insurance does not apply. We may, at our discretion, investigate any "injury" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "injury" only if:

- (1) The "injury" occurs during the policy period in the "coverage territory"; and

- (2) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "injury" or claim, knew that the "injury" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "injury" occurred, then any continuation, change or resumption of such "injury" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Injury" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim, includes any continuation, change or resumption of that "injury" after the end of the policy period.

- d. "Injury" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim:

- (1) Reports all, or any part, of the "injury" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "injury"; or
- (3) Becomes aware by any other means that "injury" has occurred or has begun to occur.

#### 2. Exclusions

This insurance does not apply to:

##### a. Expected Or Intended Injury

"Injury" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

##### b. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**c. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "injury".

**d. Liquor License Not In Effect**

"Injury" arising out of any alcoholic beverage sold, served or furnished while any required license is not in effect.

**e. Your Product**

"Injury" arising out of "your product". This exclusion does not apply to "injury" for which the insured or the insured's indemnitees may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

**f. Other Insurance**

Any "injury" with respect to which other insurance is afforded, or would be afforded but for the exhaustion of the limits of insurance.

This exclusion does not apply if the other insurance responds to liability for "injury" imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage.

**g. War**

"Injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**SUPPLEMENTARY PAYMENTS**

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
4. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
7. Expenses incurred by the insured for first aid administered to others at the time of an event to which this insurance applies.

These payments will not reduce the limits of insurance.

**SECTION II – WHO IS AN INSURED**

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an insured:
- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:
    - (1) "Injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (a) above; or
      - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (a) or (b) above.
    - (2) "Property damage" to property:
      - (a) Owned or occupied by, or
      - (b) Rented or loaned
 to that "employee", any of your other "employees", by any of your partners or members (if you are a partnership or joint venture), or by any of your members (if you are a limited liability company).
  - b. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
  - b. Coverage does not apply to "injury" that occurred before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for all "injury" as the result of the selling, serving or furnishing of alcoholic beverages.
3. Subject to the Aggregate Limit, the Each Common Cause Limit is the most we will pay for all "injury" sustained by one or more persons or organizations as the result of the selling, serving or furnishing of any alcoholic beverage to any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV – LIQUOR LIABILITY CONDITIONS

#### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

**2. Duties In The Event Of Injury, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "injury" which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "injury" took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any "injury".
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "injury" to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

**3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

**4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **b.** below.

**b. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.



- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

## 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

## 7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

## 8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

## 9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## SECTION V – DEFINITIONS

1. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
2. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the "injury" occurs in the course of travel or transportation between any places included in Paragraph a. above; or

- c. All other parts of the world if the "injury" arises out of:

- (1) Goods or products made or sold by you in the territory described in Paragraph a. above; or
- (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

3. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
4. "Executive Officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
5. "Injury" means damages because of "bodily injury" and "property damage", including damages for care, loss of services or loss of support.
6. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
7. "Property damage" means:
  - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.
8. "Suit" means a civil proceeding in which damages because of "injury" to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
9. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.



**10. "Your product":**

**a. Means:**

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a)** You;
  - (b)** Others trading under your name; or
  - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product", and
- (2)** The providing of or failure to provide warnings or instructions.

**c. Does not include** vending machines or other property rented to or located for the use of others but not sold.

COMMERCIAL GENERAL LIABILITY  
CG 00 64 12 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WAR LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

The following exclusion is added:

This insurance does not apply to:

### **WAR**

Injury or damage, however caused, arising, directly or indirectly, out of:

1. War, including undeclared or civil war; or
2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

COMMERCIAL GENERAL LIABILITY  
CG 01 04 12 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NEW YORK CHANGES – PREMIUM AUDIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A.** Paragraph **b.** of the **Premium Audit** Condition **Section IV** is replaced by the following:

**PREMIUM AUDIT**

- b.** Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. An audit to determine the final premium due or to be refunded will be completed within 180 days after the expiration date of the policy. But the audit may be waived if the total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1500. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.

**B.** Except as provided in Paragraph **A.** above, the **Examination Of Your Books And Records** Common Policy Condition continues to apply.

**COMMERCIAL GENERAL LIABILITY**  
**CG 26 03 04 09**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## NEW YORK CHANGES – LIQUOR LIABILITY COVERAGE FORM

This endorsement modifies insurance provided under the following:

### LIQUOR LIABILITY COVERAGE PART

**A. Paragraph 1. Insuring Agreement** of Section I is replaced by the following:

**1. Insuring Agreement**

**a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "injury" to which this insurance applies if liability for such "injury" is imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking damages for "injury" to which this insurance does not apply. We may, at our discretion, investigate any "injury" and settle any claim or "suit" that may result. But:

- (1)** The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2)** Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

**b.** This insurance applies to "injury" only if:

- (1)** The "injury" occurs during the policy period in the "coverage territory"; and

**(2)** Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "injury" or claim, knew that the "injury" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "injury" occurred, then any continuation, change or resumption of such "injury" during or after the policy period will be deemed to have been known prior to the policy period.

**c.** "Injury" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim, includes any continuation, change or resumption of that "injury" after the end of the policy period.

**d.** "Injury" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim:

- (1)** Reports all, or any part, of the "injury" to us or any other insurer;
- (2)** Receives a written or verbal demand or claim for damages because of the "injury"; or
- (3)** Becomes aware by any other means that "injury" has occurred or has begun to occur.

**B.** The following is added as Paragraph **e.** to **Duties In The Event Of Injury, Claim Or Suit** under Paragraph **2.** of **Section IV – Liquor Liability Conditions**:

**2. Duties In The Event Of Injury, Claim Or Suit**

- e.** Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

**C.** Paragraph **3.** of **Section IV – Liquor Liability Conditions** is replaced by the following:

**3. Legal Action Against Us**

- a.** Except as provided in Paragraph **b.**, no person or organization has a right under this Coverage Part:

- (1)** To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- (2)** To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

- b.** With respect to "injury" claims related to "bodily injury", if we deny coverage or do not admit liability because an insured or the injured person, someone acting for the injured person or other claimant fails to give us written notice as soon as practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against us, provided the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide timely notice.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if within 60 days after we deny coverage or do not admit liability, we or an insured:

- (1)** Brings an action to declare the rights of the parties under the policy; and
- (2)** Names the injured person, someone acting for the injured person or other claimant as a party to the action.

**D.** The following provision is added and supersedes any provision to the contrary:

Failure to give notice to us as required under this Coverage Part shall not invalidate any claim made by the insured, injured person or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by the insured, injured person or other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

**COMMERCIAL GENERAL LIABILITY**  
**CG 26 35 12 93**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES – TRANSFER OF DUTIES WHEN A LIMIT OF INSURANCE IS USED UP**

This endorsement modifies insurance under the following:

### **LIQUOR LIABILITY COVERAGE PART**

The following Condition is added to LIQUOR LIABILITY CONDITIONS (Section **IV**):

**Transfer of Duties When a Limit of Insurance Is Used Up.**

- a.** If we conclude that, based on "injuries", claims or "suits" which have been reported to us and to which this insurance may apply, the Aggregate Limit or the Each Common Cause Limit is likely to be used up in the payment of judgments or settlements, we will notify the first Named Insured, in writing, to that effect.
- b.** When a limit of insurance described in paragraph **a.** above has actually been used up in the payment of judgments or settlements:
  - (1)** We will notify the first Named Insured, in writing, as soon as practicable, that:
    - (a)** Such a limit has actually been used up; and
    - (b)** Our duty to defend "suits" seeking damages subject to that limit has also ended.
  - (2)** We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits".

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.

- (3)** The first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.
- c.** The first Named Insured will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with paragraph **b.(2)** above.  
The duty of the first Named Insured to reimburse us will begin on:
  - (1)** The date on which the applicable limit of insurance is used up, if we sent notice in accordance with paragraph **a.** above; or
  - (2)** The date on which we sent notice in accordance with paragraph **b.(1)** above, if we did not send notice in accordance with paragraph **a.** above.
- d.** The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.







Policy Change # 1 Effective 08/01/2014

This supersedes any previous declarations bearing the same policy number for this policy period

**Citizens Insurance Company Of America 440 Lincoln Street, Worcester  
MA 01605**

**Commercial Line Policy  
Common Declarations**

CM

Policy Number	Policy Period		Coverage is Provided in the:	Agency Code
	From	To		
ZBS 9632488 02	08/01/2014	08/01/2015	Citizens Insurance Company Of America	5502701

**Named Insured and Address :**

**Agent :**

ALBANY AIRPORT HIE LLC  
400 HIE LLC &/OR  
7A JOHNSON RD  
LATHAM NY 12110

ARTHUR J GALLAGHER RISK  
CAPITAL BAUER  
677 BROADWAY, 4TH FLOOR  
ALBANY NY 12207

Branch : New York Region: Upstate

Policy Period : From 08/01/2014 To 08/01/2015

12:01 A.M. Standard Time at Your Mailing Address Shown Above.

Business Description : Hotels

Legal Entity : Limited Liability Corporation

In Consideration of the premium, insurance is provided the Name Insured with respect to those premises described in the attached schedule(s) for which a specific limit of insurance is shown. This is subject to all terms of this policy including Common Policy Conditions. Coverage Parts, Forms and Endorsements may be subject to adjustment and/or a policy minimum premium.

<b>Commercial Property Coverage</b>	\$25,962.00
<b>Commercial General Liability Coverage</b>	\$23,538.00
<b>Commercial Inland Marine Coverage</b>	Not Covered
<b>Commercial Crime Coverage</b>	Not Covered
<b>Commercial Auto Coverage</b>	Not Covered
<b>Total Surcharge Premium</b>	\$162.48
<b>Additional Premium For Policy Minimum</b>	N/A
<b>** Total</b>	<b>\$49,662.48</b>

**Additional/Return Premium for Endorsement :**

N/A

**\*\*INCLUDES PREMIUM, IF ANY, FOR TERRORISM; REFER TO DISCLOSURE NOTICE**

Countersigned \_\_\_\_\_ By \_\_\_\_\_

10 Pay - 20% Down

Group Number ZBD



ALBANY AIRPORT HIE LLC

ZBS 9632488 02

ARTHUR J GALLAGHER RISK

This supersedes any previous declaration bearing  
the same policy number for this policy period

**Commercial Lines Surcharges**

**State:** New York

New York Fire Fee Premium: \$162.48

**Total New York Surcharge Premium: \$162.48**



ALBANY AIRPORT HIE LLC

ZBS 9632488 02

**ARTHUR J GALLAGHER RISK**

This supersedes any previous declaration bearing  
the same policy number for this policy period

**Endorsement Recap**Endorsement Number: 1Effective: 08/01/2014**Reason for Endorsement:**

Multiple Changes

1. Add Additional Name Insureds

**Schedule of Additional Interest Changes**

<u>Level</u>	<u>LOC</u>	<u>Detail</u>	<u>Chg Type</u>	<u>Value</u>
Pol		Type	Added	Additional Named Insured
		Name		Albany Airport HIE LLC
		Address 1		DBA Albany Airport Hotel
		State		- Select -
Pol		Type	Added	Additional Named Insured
		Name		946 Loudon LLC
		State		- Select -
Pol		Type	Added	Additional Named Insured
		Name		400 Old Loudon Road Realty LLC
		State		- Select -
Pol		Type	Added	Additional Named Insured
		Name		Bullock Hospitality LLC
		State		- Select -
Pol		Type	Added	Additional Named Insured
		Name		400 HIE LLC, DBA Albany
		Address 1		Airport Holiday Inn Express
		State		- Select -
Pol		Type	Added	Additional Named Insured



ALBANY AIRPORT HIE LLC

ZBS 9632488 02

ARTHUR J GALLAGHER RISK

### Schedule of Additional Interest Changes

	Name		& Suites
	State		- Select -
Pol	Type	Added	Additional Named Insured
	Name		Tuscany Management LLC
	State		- Select -
Pol	Type	Added	Additional Named Insured
	Name		Bullock Boys LLC
	Address 1		DBA on Tap
	State		- Select -
Pol	Type	Added	Additional Named Insured
	Name		Bullock Boys LLC
	Address 1		DBA Gazebo Banquet Hall
	State		- Select -
Pol	Type	Added	Additional Named Insured
	Name		& Rentals
	State		- Select -







Policy Change # 2 Effective 03/02/2015

This supersedes any previous declarations bearing the same policy number for this policy period

**Citizens Insurance Company Of America 440 Lincoln Street, Worcester  
MA 01605**

**Commercial Line Policy  
Common Declarations**

CM

Policy Number	Policy Period		Coverage is Provided in the:	Agency Code
	From	To		
ZBS 9632488 02	08/01/2014	08/01/2015	Citizens Insurance Company Of America	5502701

**Named Insured and Address :**

**Agent :**

ALBANY AIRPORT HIE LLC  
400 HIE LLC &/OR  
6 JOHNSON ROAD  
LATHAM NY 12110

ARTHUR J GALLAGHER RISK  
CAPITAL BAUER  
677 BROADWAY, 4TH FLOOR  
ALBANY NY 12207

Branch : New York Region: Upstate

Policy Period : From 08/01/2014 To 08/01/2015

12:01 A.M. Standard Time at Your Mailing Address Shown Above.

Business Description : Hotels

Legal Entity : Limited Liability Corporation

In Consideration of the premium, insurance is provided the Name Insured with respect to those premises described in the attached schedule(s) for which a specific limit of insurance is shown. This is subject to all terms of this policy including Common Policy Conditions. Coverage Parts, Forms and Endorsements may be subject to adjustment and/or a policy minimum premium.

<b>Commercial Property Coverage</b>	\$25,962.00
<b>Commercial General Liability Coverage</b>	\$23,538.00
<b>Commercial Inland Marine Coverage</b>	Not Covered
<b>Commercial Crime Coverage</b>	Not Covered
<b>Commercial Auto Coverage</b>	Not Covered
<b>Total Surcharge Premium</b>	\$162.48
<b>Additional Premium For Policy Minimum</b>	N/A
<b>** Total</b>	<b>\$49,662.48</b>

**Additional/Return Premium for Endorsement:**

N/A

**\*\*INCLUDES PREMIUM, IF ANY, FOR TERRORISM; REFER TO DISCLOSURE NOTICE**

Countersigned \_\_\_\_\_ By \_\_\_\_\_

10 Pay - 20% Down

Group Number ZBD

401-0154

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Issued 03/03/2015

Branch



ALBANY AIRPORT HIE LLC

ZBS 9632488 02

ARTHUR J GALLAGHER RISK

This supersedes any previous declaration bearing  
the same policy number for this policy period

**Commercial Lines Surcharges**

**State:** New York

New York Fire Fee Premium: \$162.48

**Total New York Surcharge Premium: \$162.48**



ALBANY AIRPORT HIE LLC

ZBS 9632488 02

**ARTHUR J GALLAGHER RISK**

This supersedes any previous declaration bearing  
the same policy number for this policy period

**Endorsement Recap**

Endorsement Number: 2 Effective: 03/02/2015

**Reason for Endorsement:**

Amend Insured Address

**Named Insured Changes**

<u>Detail</u>	<u>Chg Type</u>	<u>Value</u>
Address 2	Amended	6 JOHNSON ROAD